

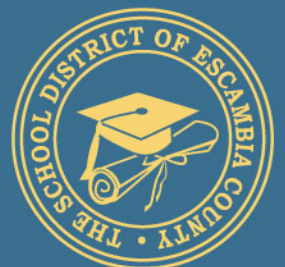
The District School Board
of Escambia County

Pensacola, Florida

Comprehensive Annual Financial Report



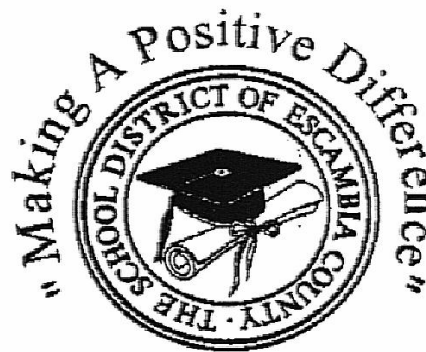
FISCAL YEAR ENDED JUNE 30, 2008



District School Board
Of Escambia County
Pensacola, Florida

Comprehensive Annual
Financial Report

For The
Fiscal Year
Ended June 30, 2008



Prepared By:
Finance Department

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2008

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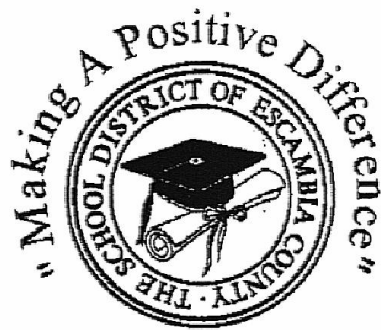
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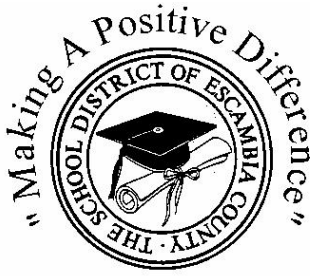
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INTRODUCTORY SECTION



THE SCHOOL DISTRICT OF ESCAMBIA COUNTY

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PHONE 850/432-6121, FAX 850/469-6379
<http://www.escambia.k12.fl.us>
MALCOLM THOMAS, SUPERINTENDENT

November 24, 2008

To the Honorable Members of the District School Board of Escambia County
and the Citizens of Escambia County, Florida

State law requires that all local governments publish after the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP), and audited in accordance with auditing standards generally accepted in the United States of America. Pursuant to this requirement, we hereby issue the comprehensive annual financial report (CAFR) of the District School Board of Escambia County, Florida (District) for the fiscal year ended June 30, 2008.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by the Office of the Auditor General for the State of Florida. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's basic financial statements for the fiscal year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the United States Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including the schedule of expenditures of federal awards, findings, and independent auditor’s report on the system of internal control and on compliance with applicable requirements is available in the office of the Assistant Superintendent of Finance and Business Services for the District.

This report includes all funds of the District, The Escambia County Public Schools Foundation for Excellence, Inc. (the Foundation), and Charter Schools, which comprise the reporting entity. The Foundation is a separate not-for-profit corporation organized and operated as a direct-support organization. The Foundation’s purpose is exclusively educational and charitable for the constituents of Escambia County. Charter Schools are public schools operating under performance contracts with the School Board. The Foundation and the applicable Charter Schools are included as discretely presented component units in the accompanying financial statements.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District’s MD&A immediately follows the independent auditor’s report.

Profile of the District

The District and its governing board (Board) were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by the District school officials in accordance with Chapter 1001, Florida Statutes. The Board consists of five elected officials responsible for the adoption of policies, which govern the operation of District public schools. The elected Superintendent of Schools (Superintendent) is the executive officer of the Board and is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education Rules, and School Board policies. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts in the District by Section 1010.01, Florida Statutes, as prescribed by the State Board of Education.

The geographic boundaries of the District are those of Escambia County. During the 2007-08 fiscal year, the District operated 69 schools, special centers, and other programs, including 35 elementary schools, 9 middle schools, 7 high schools, 8 special centers, and

10 other programs. The District also has 6 charter schools that are component units and 2 charter schools that are not component units of the District. The District receives the majority of its operating funds through a State funding formula that is intended to equalize funding received from the State and local property tax between districts within the State. Charter schools operating through a contract with the District are provided with their proportionate share of these funds, based upon the number of full-time equivalent students enrolled at the charter school. In fiscal year 2007-08, the District provided general, special, vocational, and other education programs to 41,078 unweighted full-time equivalent students. The District has experienced declining enrollment over the past four years and projects that the 2008-09 full-time equivalent students will be 40,805 which represents a decline of 273 students.

The District was the fiscal agent for the Panhandle Management Development Network, which disbanded during the fiscal year.

The Board follows procedures established by Florida Statutes and the State Board of Education rules in establishing and adopting annual budgets for each of the governmental fund types.

Economic Condition and Outlook

Escambia County, located in the northwestern part of the state, was established July 21, 1821 as a non-charter government when the Provisional Governor Andrew Jackson signed an ordinance making the County one of the first two counties in Florida, the other being St. John's County. Escambia County encompasses approximately 661 square miles, or 420,480 acres, with an additional 64,000 acres of water area and serves a population of approximately 300,000. Although northwest Florida has not experienced the rapid growth that southern and central Florida have experienced, the area has grown significantly during the past two decades. There are two municipalities within the County, the City of Pensacola, which is the County seat, and the Town of Century.

State sales tax revenues have declined, and school taxable property values have shown only minor increases; consequently, the State has made reductions to the funding provided for education. For the fiscal-year ended June 30, 2008 the state subsequently reduced the original funding level by slightly more than three percent. The beginning funding level for the 2008-09 fiscal year was reduced to the 2006-07 fiscal year funding level. Additional cuts to funding are anticipated for the 2008-09 fiscal year.

Major Initiatives

Class Size Reduction

In November 2002, the voters of Florida amended the State Constitution to limit class size. The amendment established the maximum number of students in core-curricula courses assigned to a teacher in each of the following three grade groupings: (1) prekindergarten through grade 3, 18 students; (2) grades 4 through 8, 22 students; and (3) grades 9 through 12, 25 students. These ratios must be achieved at the classroom level by the beginning of the 2010-11 fiscal year.

The Florida Legislature enacted Senate Bill-30A (2003) implementing the reduction of the average number of students in each classroom by at least two students per year, beginning in the 2003-04 fiscal year until the maximum number of students per classroom does not exceed the 2010-11 fiscal year maximum. If a district's class size does not meet the constitutional maximum, then the district must reduce the average number of students in each of the three grade groupings by two students until the constitutional maximums are reached. The following is how the constitutional maximums will be calculated:

- For fiscal years 2003-04, 2004-05, and 2005-06, class size will be calculated at the district level.
- For fiscal years 2006-07 and 2007-08, class size will be calculated at the school level.
- For fiscal years 2008-09 and 2009-10, class size will be calculated at the classroom level.

Due to funding constraints, the Florida Legislature delayed moving the 2008-09 class size requirements to the classroom level and maintained the school level calculation. For the 2007-08 fiscal year, the District continued its efforts to meet the constitutional maximums for the three grade groupings at school-level. Based on the annual review by the Florida Department of Education, the District complied with targeted maximums at all schools.

Consolidation

Beginning with the 2007-08 fiscal year, the District completed a planned school consolidation and school closing program initiated to increase cost effectiveness and realign the infrastructures for the decline and redistribution of student population. One high school was converted to a large middle school, and three middle school facilities were closed.

Half-Cent Sales Surtax

Section 212.055(6), Florida Statutes authorizes local school boards to levy a one-half cent School Capital Outlay Sales Surtax (Sales Surtax). The District conducted a referendum and the Sales Surtax was originally approved for five years beginning January 1, 1998. It was renewed for an additional five years as of January 1, 2003 and an additional ten years as of January 1, 2008. These funds have provided approximately \$20 million per year to meet the District's capital outlay needs. During the 2007-08 fiscal year, Sales Surtax revenues were used to construct two new elementary media centers and make improvements to athletic facilities. Several major construction and renovation projects are underway. Preliminary plans to construct a new elementary school are also in progress. Construction of the new school will allow the District to close three existing elementary schools. This is part of an initiative to become more efficient in the number of facilities operated by the District.

Accomplishments

Schools throughout Florida are held accountable and receive school grades based on the results of the Florida Comprehensive Assessment Test (FCAT). The fiscal year 2007-08 marks the tenth year of this accountability program and the District has continued its improvement. The first year of accountability only five District schools received a grade of A or B. Dramatic improvement has been accomplished with 23 schools receiving an A and 10 receiving a B for the 2007-08 fiscal year.

The District has 136 teachers that have successfully completed the rigorous and time-intensive program of the National Board of Professional Teaching Standards. To achieve the highly esteemed National Certification, teachers are required to provide a portfolio of information regarding teaching styles, examples of work performed by students, and successfully pass an examination. Teachers who gain this certification are provided incentives by the state including salary and mentoring bonuses. In addition, 40% of the District's instructional personnel hold advanced degrees (Master's or higher).

Financial Information

Internal Controls. Management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls. The District maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of all governmental fund types are included in the annual appropriated budget. The level of budgetary control (that is the level at which expenditures cannot exceed the appropriated amount) is established at the object level.

Budgetary information is integrated into the accounting system and to facilitate budgetary control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at year-end and encumbrances outstanding are honored from the subsequent year's appropriations. In order to provide budgetary control for salaries, the District utilizes a centralized position control system. On an annual basis, the Board adopts a District staffing plan that establishes teacher positions based generally on student populations served. Additionally, support and administrative positions are created based on established criteria.

Cash Management and Investments. The intention of the cash management system is to limit the amount of funds placed in accounts where low or no interest is paid, but the highest priority of all investments is preservation of principle. Idle cash is invested in various instruments with various maturity dates, depending on the anticipated future cash requirements.

The overall strategy of holding deposits and making investments is to expose the District to a minimum amount of credit and market risks. All bank balances, as of the balance sheet date, are entirely insured by Federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. We discuss our cash management and investment activities in greater detail in Note 3 of the Notes to Financial Statements.

Risk Management. The District is self-insured for workers' compensation, general and automobile liability, prescription drug and medical claims, with outside contractors providing various administrative services. All funds make payment to the District's applicable Internal Service Fund based upon personnel staffing levels. Resources have been accumulated in order to meet potential losses. We discuss our risk management activities in greater detail in Note 22 of the Notes to Financial Statements.

Acknowledgments


The preparation of this Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance department and coordination with the audit staff of the Office of the Auditor General of the State of Florida. Each member of the department and the audit staff has our sincere appreciation for the contributions made in the preparation of this report.

In closing, we would like to thank the members of the School Board for their leadership and support in planning and conducting the financial operations of the District.

Respectfully submitted,



Malcolm Thomas
Superintendent of Schools



Barbara S. Linker
Assistant Superintendent of Finance and Business Services



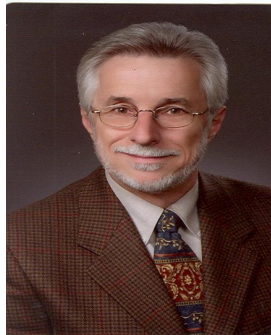
Gloria Johnson, CPA
Director of Accounting Operations

District School Board of Escambia County, Florida

School Board Members and Superintendent
(Elected for a four-year term)



District 1
Jeff Bergosh
2 years
November 2010



District 2
Gerald Boone
2 years
November 2010



District 3
Claudia Brown-Curry
2 years
November 2010



District 4
Patty Hightower
Chairman
4 years
November 2008



District 5
Pete Gindl Sr
4 years
Vice-Chairman
November 2008



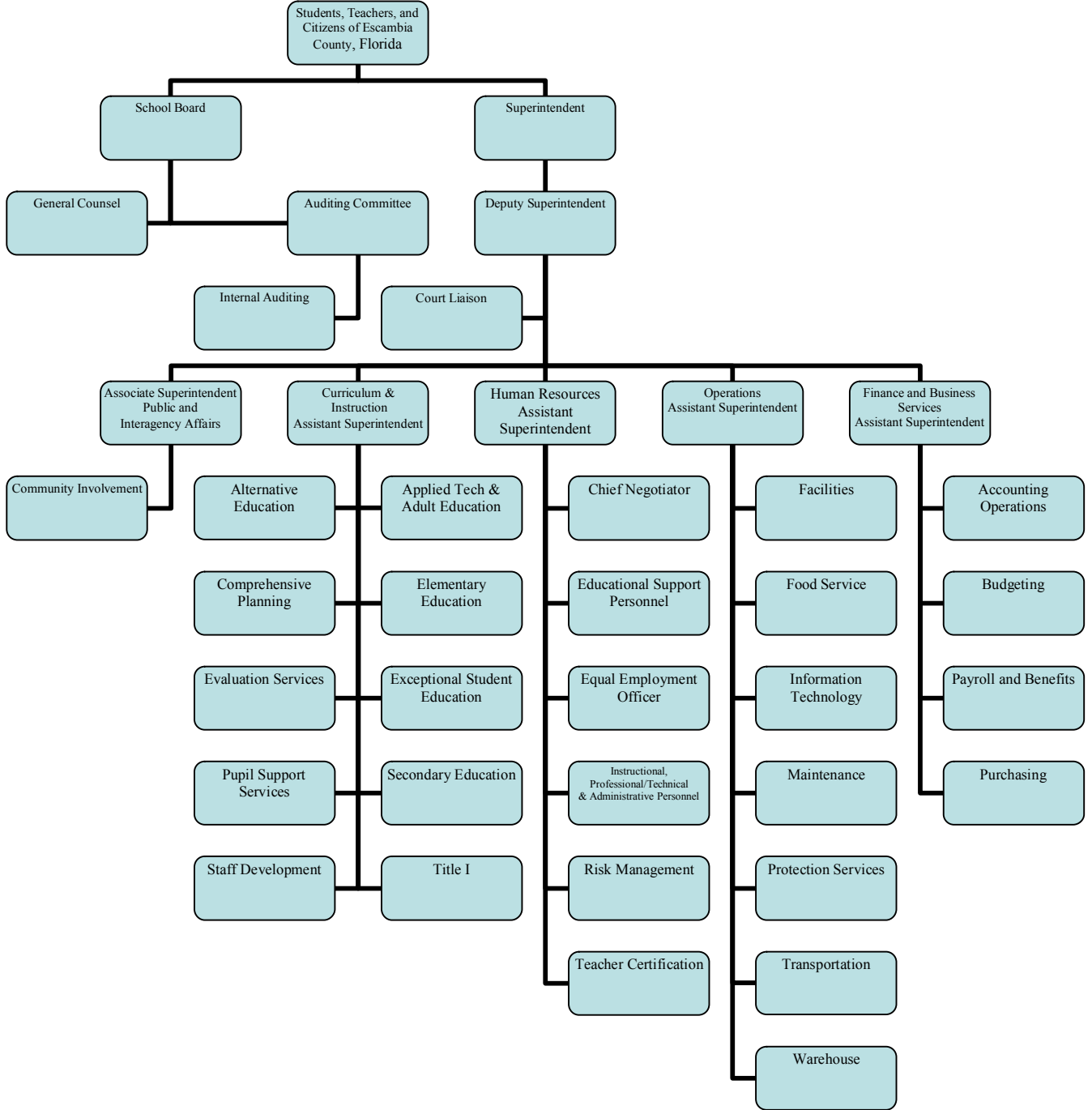
Jim Paul
Superintendent
8 years
November 2008

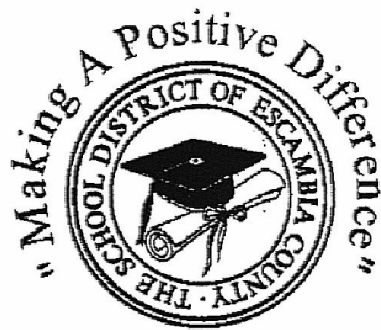
DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS

Norm Ross	Deputy Superintendent
Shawn Dennis	Assistant Superintendent Operations
Paul Fetsko	Assistant Superintendent Curriculum and Instruction
Barbara S. Linker	Assistant Superintendent Finance and Business Services
Dr. Alan Scott	Assistant Superintendent Human Resources
Ronnie Arnold	Associate Superintendent Public and Interagency Affairs

District School Board of Escambia County, Florida Organizational Chart





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FINANCIAL SECTION



David W. Martin, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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Tallahassee, Florida 32399-1450



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Fax: 850-488-6975

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Escambia County District School Board as of and for the fiscal year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units. Those financial statements were audited by other auditors whose reports have been provided to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of The Escambia County Public Schools Foundation for Excellence, Inc., a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Escambia County District School Board as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Escambia County District School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The **MANAGEMENT'S DISCUSSION AND ANALYSIS** (pages 7 through 14) is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Escambia County District School Board's basic financial statements. The introductory section, the combining and individual fund statements and schedules, and the statistical section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules (pages 64 through 127) have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section (pages i through ix) and the statistical section (pages 130 through 169) have not been

subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

A handwritten signature in blue ink that reads "David W. Martin". The signature is written in a cursive style with a large, looped initial "D".

David W. Martin, CPA

November 24, 2008



David W. Martin, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Escambia County District School Board as of and for the fiscal year ended June 30, 2008, which collectively comprise the District's basic financial statements, and have issued our report thereon included under the heading **INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**. Our report on the basic financial statements was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Other auditors audited the financial statements of the aggregate discretely presented component units, as described in our report on the Escambia County District School Board's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Escambia County Public Schools Foundation for Excellence, Inc., were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with

generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider Finding No. 1, of our operational audit report No. 2009-029, to be a significant deficiency in internal control over financial reporting. In the operational finding, we noted that District's management of information technology access privileges needed improvement.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described in Finding No. 1 of our operational audit report No. 2009-029 is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

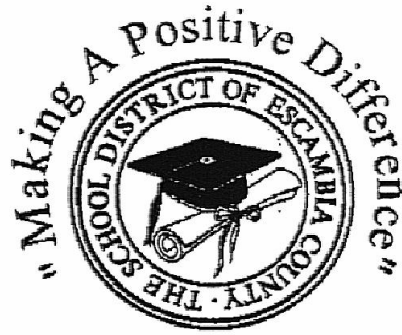
We noted certain operational matters that we reported to District management in our audit report No. 2009-029.

Pursuant to Section 11.45(4), Florida Statutes, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



David W. Martin, CPA
November 24, 2008



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MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the District School Board of Escambia County, Florida has prepared the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended June 30, 2008. The information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions and should be considered in conjunction with the District's financial statements and notes to financial statements found on pages 15 through 59.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2007-08 fiscal year are as follows:

- The assets of the District exceeded its liabilities at June 30, 2008, by \$321.7 million (net assets).
- The District's total net assets increased by \$19.4 million. A significant portion of the increase is attributable to Capital Outlay Class Size Reduction funds, Local Capital Improvement property tax dollars generated for capital improvements, and sales tax revenues which have not been spent this fiscal year.
- At June 30, 2008, the District's governmental funds reported combined fund balances of \$159.8 million, an increase of \$10.0 million from the prior fiscal year.
- At June 30, 2008, the unreserved fund balance for the General Fund was \$24.8 million, or 7.8 percent of total General Fund Expenditures.
- The District's total long-term debt (Bonds Payable and Certificates of Participation) decreased by \$2.1 million, or 3.2 percent during the current fiscal year. The key factor in this decrease was the payment of principal.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- Government-wide financial statements.
- Fund financial statements.
- Notes to financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net assets and a statement of activities that are designed to provide consolidated financial information about the governmental and business-type activities of the primary government presented on the accrual basis of accounting. The statement of net assets provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net assets, is a measure of the financial health of the District. The statement of activities presents information about the change in the District's net assets, the results of operations, during the fiscal year. An increase or decrease in net assets is an indication of whether the District's financial health is improving or deteriorating.

The government-wide statements present the District's activities in three categories:

- Governmental activities – This represents most of the District’s services, including its educational programs: basic, vocational, adult, and exceptional education. Support functions such as transportation and administration are also included. Local property taxes and the State’s education finance program provide most of the resources that support these activities.
- Business-type activities – The District charges fees to cover the cost of certain services it provides. These activities include the operations of the Panhandle Management Development Network consortium which performs, contracts for, and purchases certain services to be used by school systems including, but not limited to, in-service training. The District is a member of the consortium and acts as its fiscal agent. Therefore, its financial activities are reported in the District’s financial statements.
- Component units – The District presents aggregate financial information for the following seven separate legal entities in this report: Escambia Charter School, Inc., Beulah Academy of Science, Inc., Pensacola Beach Elementary School, Inc., Byrneville Elementary School, Inc., Dr. Ruby J. Gainer School for Reaching Your Dream, Jacqueline Harris Preparatory Academy, and the Escambia County Public Schools Foundation For Excellence, Inc. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles. Financial information for these component units is reported separately from the financial information presented for the primary government.

The Escambia School District Employee Benefit Trust (Trust) has been established to administer the District’s employee life, health, and dental insurance programs. The Escambia County District School Board exercises significant oversight responsibility over the Trust, and all activities of the Trust are solely for the benefit of the District and its employees. Therefore, the financial activities of the Trust have been included (blended) as an integral part of the primary government.

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the District’s financial activities, focusing on its most significant or “major” funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements. All of the District’s funds may be classified within one of three broad categories as discussed below.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the District’s near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this

comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund, Capital Projects – Local Capital Improvement Fund, and the Capital Projects - Other Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

Proprietary Funds. Proprietary funds may be established to account for activities in which a fee is charged for services. Two types of proprietary funds are maintained:

- Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the activities of the Panhandle Management Development Network.
- Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges. The District uses the internal service funds to account for risk management, employee benefits, and warehouse activities. Since these services predominantly benefit governmental rather than business-type functions, the internal service funds have been included within governmental activities in the government-wide financial statements.

The District's only enterprise fund accounts for the activities of the Panhandle Management Development Network and is considered to be a nonmajor fund. The internal service funds are combined in a single, aggregated column in the proprietary fund financial statements.

Fiduciary Funds. Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

The District uses agency funds to account for resources held for student activities and groups and to account for the resources of the District's pre-tax flexible benefits plan.

Notes to Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. The following is a summary of the District's net assets as of June 30, 2008, compared to net assets as of June 30, 2007:

	Net Assets, End of Year					
	Governmental Activities		Business-Type Activities		Total	
	6-30-08	6-30-07	6-30-08	6-30-07	6-30-08	6-30-07
Current and Other Assets	\$ 224,355,845	\$ 218,652,059	\$	\$ 12,755	\$ 224,355,845	\$ 218,664,814
Capital Assets	<u>252,129,370</u>	<u>245,619,124</u>	<u></u>	<u></u>	<u>252,129,370</u>	<u>245,619,124</u>
Total Assets	<u>476,485,215</u>	<u>464,271,183</u>	<u></u>	<u>12,755</u>	<u>476,485,215</u>	<u>464,283,938</u>
Long-Term Liabilities	134,449,464	136,267,562			134,449,464	136,267,562
Other Liabilities	<u>20,344,503</u>	<u>25,748,248</u>	<u></u>	<u></u>	<u>20,344,503</u>	<u>25,748,248</u>
Total Liabilities	<u>154,793,967</u>	<u>162,015,810</u>	<u></u>	<u></u>	<u>154,793,967</u>	<u>162,015,810</u>
Net Assets:						
Invested in Capital Assets -						
Net of Debt	188,476,535	178,915,643			188,476,535	178,915,643
Restricted	141,958,454	128,677,400			141,958,454	128,677,400
Unrestricted (Deficit)	<u>(8,743,741)</u>	<u>(5,337,670)</u>	<u></u>	<u>12,755</u>	<u>(8,743,741)</u>	<u>(5,324,915)</u>
Total Net Assets	<u>\$ 321,691,248</u>	<u>\$ 302,255,373</u>	<u>\$</u>	<u>\$ 12,755</u>	<u>\$ 321,691,248</u>	<u>\$ 302,268,128</u>

The largest portion of the District's net assets, \$188.5 million, reflects its investment in capital assets (e.g., land, construction in progress, buildings, improvements, equipment, motor vehicles, computer software, and audio visual materials), less any related debt still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

The restricted portion of the District's net assets, \$142 million, represents resources that are subject to external restrictions on how they may be used. Normally, the unrestricted net assets are used to meet the government's ongoing obligations to students, employees, and creditors. The District's deficit unrestricted net assets results primarily from the recognition of a liability for accumulated employee annual and sick leave balances reported as compensated absences. This liability, totaling \$43 million, will be paid over future years when vested employees are paid for their leave upon separation from the District.

Total net assets increased during the fiscal year. The key elements of the changes in the District's net assets for the fiscal years ended June 30, 2008, and June 30, 2007, are as follows:

Operating Results for the Year

	Governmental Activities		Business-Type Activities		Total	
	6-30-08	6-30-07	6-30-08	6-30-07	6-30-08	6-30-07
Program Revenues:						
Charges for Services	\$ 7,122,221	\$ 7,290,363	\$	\$ 68,770	\$ 7,122,221	\$ 7,359,133
Operating Grants and Contributions	22,893,049	23,196,783			22,893,049	23,196,783
Capital Grants and Contributions	12,787,860	14,393,520			12,787,860	14,393,520
General Revenues:						
Property Taxes, Levied for Operational Purposes	85,413,366	81,045,039			85,413,366	81,045,039
Property Taxes, Levied for Capital Projects	29,869,892	27,507,116			29,869,892	27,507,116
Local Sales Taxes	20,655,828	21,969,232			20,655,828	21,969,232
Grants and Contributions Not Restricted to Specific Programs	224,459,137	225,973,513			224,459,137	225,973,513
Unrestricted Investment Earnings	5,787,426	8,754,067		375	5,787,426	8,754,442
Miscellaneous	4,756,160	3,015,536			4,756,160	3,015,536
Insurance Loss Recoveries	4,464,012				4,464,012	
Transfers	4,755		(4,755)			
Total Revenues and Transfers	418,213,706	413,145,169	(4,755)	69,145	418,208,951	413,214,314
Functions/Program Expenses:						
Instruction	210,699,076	200,035,407			210,699,076	200,035,407
Pupil Personnel Services	17,159,487	17,710,197			17,159,487	17,710,197
Instructional Media Services	5,591,263	5,877,497			5,591,263	5,877,497
Instruction and Curriculum Development Services	11,812,859	11,939,007			11,812,859	11,939,007
Instructional Staff Training	7,787,869	7,408,236			7,787,869	7,408,236
Instruction Related Technology	3,267,448	2,777,732			3,267,448	2,777,732
Board of Education	1,212,416	1,063,256			1,212,416	1,063,256
General Administration	1,525,336	1,369,805			1,525,336	1,369,805
School Administration	15,674,843	15,866,203			15,674,843	15,866,203
Facility Services	31,604,053	37,396,130			31,604,053	37,396,130
Fiscal Services	2,386,653	2,255,833			2,386,653	2,255,833
Food Services	18,578,045	18,952,187			18,578,045	18,952,187
Central Services	5,103,314	4,160,563			5,103,314	4,160,563
Pupil Transportation Services	17,894,762	17,173,433			17,894,762	17,173,433
Operation of Plant	28,308,033	27,270,568			28,308,033	27,270,568
Maintenance of Plant	11,875,929	13,854,263			11,875,929	13,854,263
Administrative Technology Services	3,813,897	3,712,180			3,813,897	3,712,180
Community Services	897,108	709,533			897,108	709,533
Interest on Long-Term Debt	3,251,291	3,650,125			3,251,291	3,650,125
Loss on Disposal of Capital Assets	334,149	3,653,313			334,149	3,653,313
Panhandle Management Development Network			8,000	65,894	8,000	65,894
Total Functions/Program Expenses	398,777,831	396,835,468	8,000	65,894	398,785,831	396,901,362
Increase (Decrease) in Net Assets Before Extraordinary Item						
Extraordinary Item - Loss Recoveries	19,435,875	16,309,701	(12,755)	3,251	19,423,120	16,312,952
		20,181,553				20,181,553
Increase (Decrease) in Net Assets	\$ 19,435,875	\$ 36,491,254	\$ (12,755)	\$ 3,251	\$ 19,423,120	\$ 36,494,505

Governmental Activities increased the District's net assets by \$19.4 million. Key elements of the increase are as follows:

- Property tax revenue increased by \$6.7 million, or 6.2 percent, during the 2007-08 fiscal year, as a result of an increase in the taxable assessed value.
- The capital projects (construction) revenues received during the current fiscal year are disbursed on construction projects and other capital assets that will be capitalized and expensed in future years through depreciation. If these funds are not disbursed at year-end, they are reported as current assets and restricted net assets. Investments in Capital Assets, Net of Related Debt, increased by \$9.6 million, and Restricted Net Assets for Capital Projects increased by \$13.6 million from the previous fiscal year.

The decrease in net assets for the business-type activities was the result of the Panhandle Management Development Network ceasing operations during the 2007-08 fiscal year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Major Governmental Funds

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance is \$24.8 million, while the total fund balance is \$37.2 million. The unreserved fund balance increased by \$4.3 million, while the total fund balance decreased by \$2.7 million during the fiscal year. Key factors for these changes are as follows:

- Although State and local tax revenues were \$11.2 million less than initially budgeted or projected, total General Fund revenues increased \$6.9 million from the previous fiscal year. State revenues were lower than projected because State revenues based on student enrollment were reduced due to a reduction in full-time equivalent (FTE) students (382) from the initial State projection (44,567) and due to other State revenue reductions. Property taxes were less than budgeted because certain beach property taxes were in litigation, and currently, are not collectable. The District's General Fund also receives other financing sources from transfers from other funds and, in recent years, from insurance and hurricane recoveries resulting from Hurricanes Ivan, Dennis, and Katrina. These other financing sources decreased approximately \$12.2 million from the previous fiscal year, primarily from reductions in insurance and hurricane recoveries as the District completes its repairs resulting from those storms.
- The District anticipated revenue shortfalls due to the economic downturn and took action to reduce expenditures during the fiscal year. General Fund expenditures were \$2.3 million less than the previous fiscal year.

The Capital Projects – Local Capital Improvement Fund has a fund balance of \$17.1 million. The fund balance increased by \$8.6 million due to an increase in local capital improvement property taxes collected and a reduction in expenditures incurred during the 2007-08 fiscal year.

The Capital Projects – Other Fund has a fund balance of \$87 million. The fund balance increased by \$2.9 million due primarily to revenue from local sales tax collections in excess of expenditures.

Proprietary Funds

The District's business-type activities provide the same type of information found in the government-wide financial statements. The Panhandle Management Development Network dissolved during the 2007-08 fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the 2007-08 fiscal year, the District experienced several reductions in State funding from the Florida Department of Education. These reductions were the result of a Statewide economic downturn, which resulted in revenue collections that were significantly lower than originally projected when the State's 2007-08 fiscal year budget was developed. As a result of the reductions, the District received State funding of \$10 million less than originally projected which was a 4.7 percent reduction. A portion of the reduction in State funding to the District was the result of a continuing decline in student population. The measure of student population used for calculation of State revenues is full-time equivalent (FTE). The projected

2007-08 budget for State revenues was based on weighted FTE of 44,567. Collected State revenues were based on actual weighted FTE of 44,185, a decrease of 382 (0.86 percent).

In addition to the overall economic downturn, the State Board of Administration Local Government Surplus Funds Trust Fund investment pool experienced liquidity problems and a decline in interest revenues. Like many other governmental agencies within the State, the District withdrew its funds from the investment pool and reinvested in money market accounts with local banking institutions. However, the effect of the economic downturn on all interest earnings resulted in the District earning approximately \$0.84 million less interest revenue than originally projected, a decrease of 33.6 percent.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2008, amounts to \$252.1 million (net of accumulated depreciation). This investment in capital assets includes land; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; property under capital lease; construction in progress; and audio visual materials and computer software. The total increase in the District's investment in capital assets (net of accumulated depreciation) for the current fiscal year was \$6.5 million or 2.7 percent.

Major capital asset events during the current fiscal year included the following:

- Completion of Pensacola High School Gymnasium.
- The addition of new modular classrooms.
- The District has started and completed several major renovation and addition projects.

Additional information on the District's capital assets can be found in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2008, the District has total long-term debt outstanding of \$65.8 million. The District had \$10.2 million outstanding of State School Bonds issued by the State Board of Education (SBE) and backed by the full faith and credit of the State of Florida. Capital leases totaled \$2.1 million. The remainder of this debt represents \$53.5 million in certificates of participation.

Additional information on the District's long-term debt can be found in Notes 7 through 11 to the financial statements.

ECONOMIC FACTORS AFFECTING 2008-09 FISCAL YEAR BUDGETS AND RATES

These factors were considered in preparing the District budget for the 2008-09 fiscal year:

- The unemployment rate for Escambia County, Florida is currently 5.5 percent, which is an increase from the rate of 3.8 percent a year ago. Escambia County's unemployment rate is equal to the State's average unemployment rate of 5.5 percent.

In the General Fund, the District plans to use \$7.4 million of unreserved fund balance to cover planned expenditures during the 2008-09 fiscal year. The District anticipates that this use of unreserved fund balance

will be significantly replenished at year-end through unspent appropriations and actual property tax revenues exceeding budgeted amounts. The District anticipates that the fund balance at June 30, 2009, will be in excess of the Board target of 2.5 percent (of the anticipated revenue).

Although the amount of designated fund balance in the General Fund increased by \$3.6 million to \$14 million in the 2007-08 fiscal year, the District plans to spend all of the designated fund balance at June 30, 2008, during the 2008-09 fiscal year.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Assistant Superintendent of Finance and Business Services, District School Board of Escambia County, 215 West Garden Street, Pensacola, FL 32502.

BASIC FINANCIAL STATEMENTS

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF NET ASSETS
June 30, 2008

	<i>Primary Government</i>		<i>Component Units</i>
	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	
ASSETS			
Current Assets:			
Cash	\$ 112,184,594	\$	\$ 112,184,594
Investments	88,681,149		88,681,149
Accounts Receivable	865,441		865,441
Interest Receivable	65,829		65,829
Deposits Receivable	5,300		5,300
Prepaid Items			61,081
Due from Other Agencies	17,910,035		17,910,035
Inventories	2,500,842		2,500,842
Other Assets			43,307
Total Current Assets	222,213,190		222,213,190
Noncurrent Assets:			
Deferred Charges	2,142,655		2,142,655
Capital Assets:			
Non-Depreciable Capital Assets	16,666,621		16,666,621
Depreciable Capital Assets, Net	235,462,749		235,462,749
Total Noncurrent Assets	254,272,025		254,272,025
TOTAL ASSETS	\$ 476,485,215	\$	\$ 476,485,215
LIABILITIES			
Current Liabilities:			
Salaries and Benefits Payable	\$ 201,223	\$	\$ 201,223
Payroll Deductions and Withholdings	3,744,372		3,744,372
Accounts Payable	3,287,723		3,287,723
Construction Contracts Payable	1,136,517		1,136,517
Construction Contracts Payable - Retainage	1,201,760		1,201,760
Due to Other Agencies	3,497,877		3,497,877
Deposits Payable	17,435		17,435
Interest Payable	1,323,265		1,323,265
Unearned Revenue	3,362,625		3,362,625
Loan Payable	2,571,706		2,571,706
Long-Term Liabilities -- Portion Due Within One Year:			
Obligations Under Capital Leases	986,670		986,670
Notes Payable			93,626
Bonds Payable	910,000		910,000
Estimated Insurance Claims Payable	7,467,682		7,467,682
Certificates of Participation Payable	2,645,210		2,645,210
Compensated Absences Payable	4,156,514		4,156,514
Total Current Liabilities	36,510,579		36,510,579
Noncurrent Liabilities:			
Long-Term Liabilities -- Portion Due After One Year:			
Obligations Under Capital Leases	1,038,318		1,038,318
Notes Payable			1,809,361
Bonds Payable	9,323,673		9,323,673
Estimated Insurance Claims Payable	18,061,530		18,061,530
Certificates of Participation Payable	50,891,619		50,891,619
Compensated Absences Payable	38,846,248		38,846,248
Postemployment Health Care Benefits Payable	122,000		122,000
Total Noncurrent Liabilities	118,283,388		118,283,388
Total Liabilities	154,793,967		154,793,967
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	188,476,535		188,476,535
Restricted for:			
State Categorical Programs	4,293,074		4,293,074
Debt Service	4,711,578		4,711,578
Capital Projects	112,533,692		112,533,692
Employee Benefits	16,530,303		16,530,303
Other Purposes	3,889,807		3,889,807
Unrestricted	(8,743,741)		(8,743,741)
Total Net Assets	321,691,248		321,691,248
TOTAL LIABILITIES AND NET ASSETS	\$ 476,485,215	\$	\$ 476,485,215

The accompanying notes to financial statements are an integral part of this statement.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
Instruction	\$ 210,699,076	\$ 1,221,058	\$	\$
Pupil Personnel Services	17,159,487			
Instructional Media Services	5,591,263			
Instruction and Curriculum Development Services	11,812,859			
Instructional Staff Training Services	7,787,869			
Instruction Related Technology	3,267,448			
Board of Education	1,212,416			
General Administration	1,525,336			
School Administration	15,674,843			
Facility Services	31,604,053			11,384,189
Fiscal Services	2,386,653			
Food Services	18,578,045	5,901,163	11,783,067	
Central Services	5,103,314			
Pupil Transportation Services	17,894,762		11,109,982	
Operation of Plant	28,308,033			
Maintenance of Plant	11,875,929			
Administrative Technology Services	3,813,897			
Community Services	897,108			
Interest on Long-Term Debt	3,251,291			1,403,671
Loss on Disposal of Capital Assets	334,149			
Total Governmental Activities	398,777,831	7,122,221	22,893,049	12,787,860
Business-Type Activities:				
Panhandle Management Development Network	8,000			
Total Primary Government	\$ 398,785,831	\$ 7,122,221	\$ 22,893,049	\$ 12,787,860
Component Units				
Charter Schools	\$ 6,611,011	\$ 403,700	\$ 808,875	\$
Escambia County Public Schools Foundation for Excellence, Inc.	846,773			
Total Component Units	\$ 7,457,784	\$ 403,700	\$ 808,875	\$

General Revenues:

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Capital Projects

Local Sales Taxes

Grants and Contributions Not Restricted to Specific Programs

Unrestricted Investment Earnings

Insurance Loss Recoveries

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets, July 1, 2007

Adjustment to Restate Beginning Net Assets

Net Assets, July 1, 2007, Restated

Net Assets, June 30, 2008

The accompanying notes to financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets

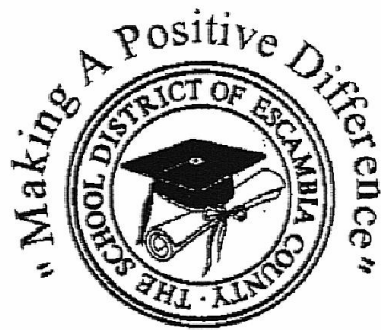
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (209,478,018)	\$	\$ (209,478,018)	\$
(17,159,487)		(17,159,487)	
(5,591,263)		(5,591,263)	
(11,812,859)		(11,812,859)	
(7,787,869)		(7,787,869)	
(3,267,448)		(3,267,448)	
(1,212,416)		(1,212,416)	
(1,525,336)		(1,525,336)	
(15,674,843)		(15,674,843)	
(20,219,864)		(20,219,864)	
(2,386,653)		(2,386,653)	
(893,815)		(893,815)	
(5,103,314)		(5,103,314)	
(6,784,780)		(6,784,780)	
(28,308,033)		(28,308,033)	
(11,875,929)		(11,875,929)	
(3,813,897)		(3,813,897)	
(897,108)		(897,108)	
(1,847,620)		(1,847,620)	
(334,149)		(334,149)	
<u>(355,974,701)</u>		<u>(355,974,701)</u>	
	<u>(8,000)</u>	<u>(8,000)</u>	
<u>(355,974,701)</u>	<u>(8,000)</u>	<u>(355,982,701)</u>	
			(5,398,436)
			(846,773)
			<u>(6,245,209)</u>
85,413,366		85,413,366	
29,869,892		29,869,892	
20,655,828		20,655,828	
224,459,137		224,459,137	6,869,082
5,787,426		5,787,426	68,164
4,464,012		4,464,012	763,943
4,756,160		4,756,160	209,088
4,755	<u>(4,755)</u>		
<u>375,410,576</u>	<u>(4,755)</u>	<u>375,405,821</u>	<u>7,910,277</u>
<u>19,435,875</u>	<u>(12,755)</u>	<u>19,423,120</u>	<u>1,665,068</u>
302,255,373	12,755	302,268,128	5,085,747
			<u>(8,044)</u>
<u>302,255,373</u>	<u>12,755</u>	<u>302,268,128</u>	<u>5,077,703</u>
<u>\$ 321,691,248</u>	<u>\$</u>	<u>\$ 321,691,248</u>	<u>\$ 6,742,771</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
DISTRICT SCHOOL BOARD
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2008

	<u>General Fund</u>	<u>Capital Projects - Local Capital Improvement Fund</u>
ASSETS		
Cash	\$ 15,954,044	\$ 5,371,719
Investments	26,588,013	15,044,163
Accounts Receivable	526,548	
Interest Receivable	18,452	14,961
Deposits Receivable	5,300	
Due from Other Funds	4,583,025	
Due from Other Agencies	398,732	
Inventories	1,422,407	
	<hr/>	<hr/>
TOTAL ASSETS	\$ 49,496,521	\$ 20,430,843
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Salaries and Benefits Payable	\$ 178,610	\$
Payroll Deductions and Withholdings	3,744,372	
Accounts Payable	1,788,211	288,823
Construction Contracts Payable		50,568
Construction Contracts Payable - Retainage	167,626	
Due to Other Funds	672,576	3,029,712
Due to Other Agencies	3,193,518	
Deposits Payable	17,435	
Interest Payable		
Loan Payable	2,571,706	
	<hr/>	<hr/>
Total Liabilities	12,334,054	3,369,103
Fund Balances:		
Reserved for State Categorical Programs	4,293,074	
Reserved for Encumbrances	2,352,701	5,084,757
Reserved for Inventories	1,422,407	
Reserved for Debt Service		
Reserved for Legal Restrictions	4,267,982	
Unreserved:		
Designated, Reported in General Fund:		
Designated for Local Carryover Projects	13,994,979	
Undesignated, Reported in:		
General Fund	10,831,324	
Special Revenue Funds		
Debt Service Funds		
Capital Projects Funds		11,976,983
	<hr/>	<hr/>
Total Fund Balances	37,162,467	17,061,740
TOTAL LIABILITIES AND FUND BALANCES	\$ 49,496,521	\$ 20,430,843

The accompanying notes to financial statements are an integral part of this statement.

Capital Projects - Other Fund	Other Governmental Funds	Total Governmental Funds
\$ 62,350,174	\$ 9,714,555	\$ 93,390,492
18,558,885	1,410,595	61,601,656
	80,727	607,275
16,443	9,724	59,580
		5,300
	12,665	4,595,690
7,967,734	9,543,569	17,910,035
	1,078,435	2,500,842
<u>\$ 88,893,236</u>	<u>\$ 21,850,270</u>	<u>\$ 180,670,870</u>
\$	\$ 22,613	\$ 201,223
		3,744,372
43,127	724,832	2,844,993
904,938	181,011	1,136,517
905,323	128,811	1,201,760
11,509	694,066	4,407,863
	219,046	3,412,564
		17,435
	1,323,265	1,323,265
		2,571,706
<u>1,864,897</u>	<u>3,293,644</u>	<u>20,861,698</u>
21,028,822	2,279,732	4,293,074
	1,078,435	30,746,012
	231,418	2,500,842
		231,418
		4,267,982
		13,994,979
		10,831,324
	3,889,807	3,889,807
	4,480,160	4,480,160
<u>65,999,517</u>	<u>6,597,074</u>	<u>84,573,574</u>
<u>87,028,339</u>	<u>18,556,626</u>	<u>159,809,172</u>
<u>\$ 88,893,236</u>	<u>\$ 21,850,270</u>	<u>\$ 180,670,870</u>



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**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008**

Total Fund Balances - Governmental Funds \$ 159,809,172

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 252,129,370

Debt issuance costs are not expensed in the government-wide statements, but are reported as deferred charges and amortized over the life of the debt. 2,142,655

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 16,530,303

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Obligations Under Capital Leases	\$ 2,024,988	
Bonds Payable	10,233,673	
Certificates of Participation	53,536,829	
Postemployment Health Care Benefits Payable	122,000	
Compensated Absences Payable	43,002,762	
	(108,920,252)	(108,920,252)

Total Net Assets - Governmental Activities \$ 321,691,248

The accompanying notes to financial statements are an integral part of this statement.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2008

	General Fund	Capital Projects - Local Capital Improvement Fund
Revenues		
Intergovernmental:		
Federal Direct	\$ 2,072,933	\$
Federal Through State	2,053,874	
State	202,149,613	
Local		
Taxes	85,413,366	29,869,892
Miscellaneous	7,624,047	533,126
Total Revenues	299,313,833	30,403,018
Expenditures		
Current - Education:		
Instruction	190,794,369	
Pupil Personnel Services	14,287,676	
Instructional Media Services	5,389,025	
Instruction and Curriculum Development Services	6,586,676	
Instructional Staff Training Services	3,953,874	
Instruction Related Technology	1,651,904	
Board of Education	1,206,764	
General Administration	675,487	
School Administration	15,387,931	
Facility Services	3,334,871	4,210,726
Fiscal Services	2,350,543	
Food Services	90,623	
Central Services	4,865,438	
Pupil Transportation Services	16,104,709	
Operation of Plant	28,255,764	
Maintenance of Plant	11,547,704	
Administrative Technology Services	3,109,120	
Community Services	526,562	
Fixed Capital Outlay:		
Facilities Acquisition and Construction	4,382,082	3,365,140
Other Capital Outlay	1,605,211	
Debt Service:		
Principal	933,529	
Interest and Fiscal Charges	151,911	
Total Expenditures	317,191,773	7,575,866
Excess (Deficiency) of Revenues Over Expenditures	(17,877,940)	22,827,152
Other Financing Sources (Uses)		
Transfers In	10,448,151	
Bonds Issued		
Premium on Sale of Bonds		
Proceeds from Sale of Capital Assets		
Insurance Loss Recoveries	4,750,744	
Transfers Out		(14,206,773)
Total Other Financing Sources (Uses)	15,198,895	(14,206,773)
Net Change in Fund Balances	(2,679,045)	8,620,379
Fund Balances, July 1, 2007	39,841,512	8,441,361
Fund Balances, June 30, 2008	\$ 37,162,467	\$ 17,061,740

The accompanying notes to financial statements are an integral part of this statement.

<u>Capital Projects - Other Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$	\$
	292,410	2,365,343
	40,435,486	42,489,360
4,657,351	8,244,730	215,051,694
20,655,828		135,939,086
2,741,490	6,211,313	17,109,976
<u>28,054,669</u>	<u>55,183,939</u>	<u>412,955,459</u>
	13,483,837	204,278,206
	2,765,465	17,053,141
	72,634	5,461,659
	5,107,141	11,693,817
	3,775,151	7,729,025
	1,162,795	2,814,699
		1,206,764
	828,902	1,504,389
	2,280	15,390,211
11,570,807	4,603,089	23,719,493
		2,350,543
	18,172,121	18,262,744
	104,899	4,970,337
	392,107	16,496,816
	25,759	28,281,523
		11,547,704
	38,113	3,147,233
	369,468	896,030
13,021,629	616,309	21,385,160
	1,569,057	3,174,268
	3,501,331	4,434,860
	3,056,921	3,208,832
<u>24,592,436</u>	<u>59,647,379</u>	<u>409,007,454</u>
<u>3,462,233</u>	<u>(4,463,440)</u>	<u>3,948,005</u>
	5,000,000	15,448,151
	1,295,000	1,295,000
	46,756	46,756
2,199		2,199
		4,750,744
(596,216)	(640,407)	(15,443,396)
<u>(594,017)</u>	<u>5,701,349</u>	<u>6,099,454</u>
2,868,216	1,237,909	10,047,459
84,160,123	17,318,717	149,761,713
<u>\$ 87,028,339</u>	<u>\$ 18,556,626</u>	<u>\$ 159,809,172</u>

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2008**

Net Change in Fund Balances - Governmental Funds \$ 10,047,459

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlays in excess of depreciation expense in the current period.

Capital Outlay - Facilities Acquisition and Construction - Capitalized	\$ 13,552,329	
Capital Outlay - Other Capital Outlay - Capitalized	3,174,268	
Less, Depreciation Expense	<u>(9,647,487)</u>	7,079,110

The undepreciated cost of capital assets disposed of during the current period is expensed in the statement of activities. In the governmental funds, the cost of these assets was recognized as an expenditure in the year purchased. Thus, the change in net assets differs from the change in fund balances by the undepreciated cost of disposed assets.

(568,864)

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items in the year the debt is issued, but these amounts are deferred and amortized over the life of the debt in the statement of activities.

Amortized Deferred Charges	(126,078)	
Amortized Premiums	<u>36,863</u>	(89,215)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceeded proceeds in the current period.

Bond Proceeds	(1,295,000)	
Bonds Payable	840,000	
Certificates of Participation	2,543,819	
Capital Leases Payable	<u>1,051,041</u>	3,139,860

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current period.

(1,155,356)

The net change in the liability for postemployment health care benefits is reported in the government-wide statements, but not in the governmental fund statements.

(122,000)

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities.

1,104,881

Change in Net Assets - Governmental Activities **\$ 19,435,875**

The accompanying notes to financial statements are an integral part of this statement.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Budget to Actual - GENERAL FUND
For the Fiscal Year Ended June 30, 2008

<i>General Fund</i>				
	<i>Original Budget Amounts</i>	<i>Final Budget Amounts</i>	<i>Actual Amounts</i>	<i>Variance with Final Budget - Positive (Negative)</i>
Revenues				
Intergovernmental:				
Federal Direct	\$ 1,590,000	\$ 2,072,933	\$ 2,072,933	\$
Federal Through State	1,638,675	2,081,818	2,053,874	(27,944)
State	212,152,701	202,254,048	202,149,613	(104,435)
Local:				
Taxes	86,652,061	85,413,366	85,413,366	
Miscellaneous	5,495,500	7,645,779	7,624,047	(21,732)
Total Revenues	307,528,937	299,467,944	299,313,833	(154,111)
Expenditures				
Current - Education:				
Instruction	193,109,423	201,050,633	190,794,369	10,256,264
Pupil Personnel Services	14,033,788	14,893,206	14,287,676	605,530
Instructional Media Services	5,303,084	5,669,966	5,389,025	280,941
Instruction and Curriculum Development Services	6,618,932	6,841,720	6,586,676	255,044
Instructional Staff Training Services	4,066,802	4,750,500	3,953,874	796,626
Instruction Related Technology	1,573,039	1,691,741	1,651,904	39,837
Board of Education	1,262,232	1,298,845	1,206,764	92,081
General Administration	711,158	688,124	675,487	12,637
School Administration	14,875,888	15,572,096	15,387,931	184,165
Facility Services	1,835,069	3,464,514	3,334,871	129,643
Fiscal Services	2,326,141	2,520,872	2,350,543	170,329
Food Services	159,915	128,218	90,623	37,595
Central Services	5,587,254	5,747,433	4,865,438	881,995
Pupil Transportation Services	16,115,240	17,177,790	16,104,709	1,073,081
Operation of Plant	29,108,859	29,579,375	28,255,764	1,323,611
Maintenance of Plant	12,465,166	15,094,947	11,547,704	3,547,243
Administrative Technology Services	3,207,749	3,388,791	3,109,120	279,671
Community Services	662,779	711,084	526,562	184,522
Fixed Capital Outlay:				
Facilities Acquisition and Construction	5,022,471	5,356,412	4,382,082	974,330
Other Capital Outlay	1,592,381	2,717,433	1,605,211	1,112,222
Debt Service:				
Principal	938,265	938,119	933,529	4,590
Interest and Fiscal Charges	150,583	151,911	151,911	
Total Expenditures	320,726,218	339,433,730	317,191,773	22,241,957
Deficiency of Revenues Over Expenditures	(13,197,281)	(39,965,786)	(17,877,940)	22,087,846
Other Financing Sources				
Transfers In	7,298,500	10,448,151	10,448,151	
Insurance Loss Recoveries		4,750,744	4,750,744	
Total Other Financing Sources	7,298,500	15,198,895	15,198,895	
Net Change in Fund Balances	(5,898,781)	(24,766,891)	(2,679,045)	22,087,846
Fund Balances, July 1, 2007	39,841,512	39,841,512	39,841,512	
Fund Balances, June 30, 2008	\$ 33,942,731	\$ 15,074,621	\$ 37,162,467	\$ 22,087,846

The accompanying notes to financial statements are an integral part of this statement.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF NET ASSETS -
PROPRIETARY FUNDS
June 30, 2008

	Business-Type Activities - Enterprise Fund Panhandle Management Development Network	Governmental Activities - Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$	\$ 18,794,101
Investments		27,079,493
Accounts Receivable		233,607
Interest Receivable		6,248
Due From Other Funds		565,443
TOTAL ASSETS	\$	\$ 46,678,892
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$	\$ 442,730
Due to Other Funds		728,709
Due to Other Agencies		85,313
Unearned Revenue		3,362,625
Estimated Insurance Claims Payable		7,467,682
Total Current Liabilities		12,087,059
Noncurrent Liabilities:		
Estimated Insurance Claims Payable		18,061,530
Total Liabilities		30,148,589
NET ASSETS		
Restricted for Employee Benefits		16,530,303
TOTAL LIABILITIES AND NET ASSETS	\$	\$ 46,678,892

The accompanying notes to financial statements are an integral part of this statement.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS -
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2008

	<u>Business-Type Activities - Enterprise Fund Panhandle Management Development Network</u>	<u>Governmental Activities - Internal Service Funds</u>
OPERATING REVENUES		
Charges for Services	\$	\$ 1,130,585
Premium Revenues		45,357,697
Other Operating Revenues		847,079
Total Operating Revenues		<u>47,335,361</u>
OPERATING EXPENSES		
Salaries		1,249,769
Employee Benefits		546,722
Purchased Services	8,000	3,502,204
Energy Services		4,060
Materials and Supplies		7,307
Capital Outlay		335
Insurance Claims		40,730,594
Other Expenses		1,893,859
Total Operating Expenses	<u>8,000</u>	<u>47,934,850</u>
Operating Loss	<u>(8,000)</u>	<u>(599,489)</u>
NONOPERATING REVENUES		
Interest		1,290,428
Loss Recoveries		413,942
Total Nonoperating Revenues		<u>1,704,370</u>
Income (Loss) Before Transfers	(8,000)	1,104,881
Transfers Out	<u>(4,755)</u>	
Change in Net Assets	(12,755)	1,104,881
Total Net Assets, July 1, 2007	<u>12,755</u>	<u>15,425,422</u>
Total Net Assets, June 30, 2008	<u><u>\$</u></u>	<u><u>\$ 16,530,303</u></u>

The accompanying notes to financial statements are an integral part of this statement.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2008

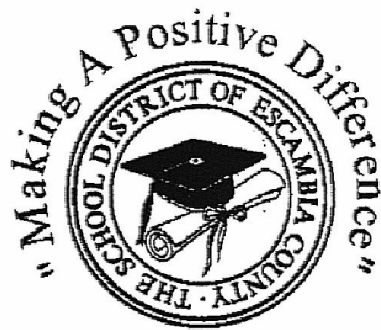
	<u>Business-Type Activities - Enterprise Fund Panhandle Management Development Network</u>	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Board Funds and Participants	\$	\$ 49,755,725
Cash Payments to Suppliers for Goods and Services	(8,000)	(5,238,543)
Cash Payments to Employees for Services		(1,813,810)
Cash Payments for Insurance Claims		(40,649,325)
	<u>(8,000)</u>	<u>2,054,047</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Loss Recoveries		413,942
Transfer to Other Funds	(4,755)	
	<u>(4,755)</u>	<u>413,942</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments		(34,057,686)
Sale of Investments	12,755	46,749,844
Interest Income		1,285,438
	<u>12,755</u>	<u>13,977,596</u>
Net Increase in Cash and Cash Equivalents		16,445,585
Beginning Cash and Cash Equivalents		<u>2,348,516</u>
Ending Cash and Cash Equivalents	<u>\$</u>	<u>\$ 18,794,101</u>
 Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Operating Loss	\$ (8,000)	\$ (599,489)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Changes in Assets and Liabilities:		
Decrease in Accounts Receivable		288,214
Decrease in Due From Other Funds		2,155,027
Increase in Due To Other Agencies		85,313
Decrease in Accrued Liabilities		(35,698)
Decrease in Accounts Payable		(484,528)
Decrease in Due To Other Funds		(13,184)
Decrease in Unearned Revenue		(22,877)
Increase in Estimated Insurance Claims Payable		681,269
		<u>2,653,536</u>
Total Adjustments		<u>2,653,536</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (8,000)</u>	<u>\$ 2,054,047</u>

The accompanying notes to financial statements are an integral part of this statement.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
FIDUCIARY FUNDS
June 30, 2008

	<u>Agency Funds</u>
ASSETS	
Cash	\$ <u>2,939,234</u>
LIABILITIES	
Payroll Deductions and Withholdings	\$ 213,252
Due to Other Funds	24,561
Internal Accounts Payable	<u>2,701,421</u>
Total Liabilities	<u>\$ 2,939,234</u>

The accompanying notes to financial statements are an integral part of this statement.



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**DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

The District School Board has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The Escambia County School District is considered part of the Florida system of public education. The governing body of the school district is the Escambia County District School Board which is composed of five elected members. The elected Superintendent of Schools is the executive officer of the School Board. Geographic boundaries of the District correspond with those of Escambia County.

Criteria for determining if other entities are potential component units which should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the District School Board is financially accountable and other organizations for which the nature and significance of their relationship with the School Board are such that exclusion would cause the District's basic financial statements to be misleading or incomplete.

Based on the application of these criteria, the following component units are included within the District School Board's reporting entity:

- **Blended Component Unit.** The Escambia School District Employee Benefit Trust (Trust) has been established to administer the District's employee life, health, and dental insurance programs. The Escambia County District School Board exercises significant oversight responsibility over the Trust, and all activities of the Trust are solely for the benefit of the District and its employees. Therefore, the financial activities of the Trust are reported in the District's financial statements.
- **Discretely Presented Component Units.** The component unit columns in the basic financial statements, include the financial data of the District's other component units, as follows:

The Escambia County Public Schools Foundation for Excellence, Inc., (the Foundation) is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to raise funds, receive, hold, invest, and administer property and to make expenditures for the benefit of the District. The Foundation is considered to be a component unit of the District, because the District must approve all members of the Foundation Board and the District has the ability to impose its will on the Foundation. It is considered to be a discretely presented component unit, because the two boards are not the same.

Charter schools are separate not-for-profit corporations with a separate board of directors organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act, and Section 1002.33, Florida Statutes. Charter schools operate under a charter of the sponsoring school district and are considered component units since they cannot levy taxes and are fiscally dependent on the District for their support. The District has entered into charters with the following charter schools that are considered part of the District's reporting entity:

Escambia Charter School, Inc., was established to provide an alternative educational system for "at risk" students.

(Continued)
**DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

Beulah Academy of Science, Inc., was established to provide an agriculture and science program for middle school students.

Byrneville Elementary School, Inc., was established to provide education, training, and related services for elementary students.

Dr. Ruby J. Gainer School for Reaching Your Dream was established to provide dropout prevention/alternative programs of education, training, and related services for secondary students who are considered “at risk” of academic failure.

Jacqueline Harris Preparatory Academy was established to provide alternative programs of education, training, and related services for elementary students who are considered “at risk” of academic failure. Jacqueline Harris Preparatory Academy, operated by New Road to Learning, Inc., is a separate not-for-profit entity.

Pensacola Beach Elementary School, Inc., was established to provide education, training and related services for elementary students.

Audits of the Foundation’s financial statements and the charter schools’ financial statements, for the fiscal year ended June 30, 2008, are conducted by independent certified public accountants and are filed in the District’s administrative office at 215 West Garden Street, Pensacola, Florida.

➤ **Basis of Presentation**

Government-wide Financial Statements - Government-wide financial statements, including the statement of net assets and the statement of activities, present information about the School District as a whole. These statements include the nonfiduciary financial activity of the primary government and its component units. The statements distinguish between governmental activities of the District and those that are considered business-type activities.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District’s governmental activities and for each segment of the business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense is allocated to the various functions of the primary government based on actual and estimated usage of the assets in those functions.

Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

The effects of interfund activity have been eliminated from the government-wide financial statements, except for the net residual amounts between governmental and business-type activities. The only interfund transactions, other than transfers between the governmental and business-type activities, were the transactions involving the internal service funds. These transactions were eliminated by allocating the change in net assets of internal service funds in direct proportion as they were charged as expenses to the various functions/programs.

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**DISTRICT SCHOOL BOARD OF
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Fund Financial Statements - Fund financial statements report detailed information about the District in the governmental, proprietary, and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Capital Projects – Local Capital Improvement Fund – to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, and debt service payments on capital leases.
- Capital Projects – Other Fund – to account for the financial resources generated by the local voted sales tax and various other financial resources restricted for educational capital outlay needs, including, new construction, renovation, and remodeling projects.

Additionally, the District reports the following proprietary and fiduciary fund types:

- Internal Service Funds – to account for the District's individual self-insurance programs and to account for the financing of goods and services provided by the District's warehouse to other departments on a cost reimbursement basis.
- Enterprise Fund – to account for the activities of the Panhandle Management Development Network for which the District is a fiscal agent.
- Agency Funds – to account for resources of the District's pre-tax flexible benefits plan and the school internal funds which are used to administer moneys collected at the schools in connection with school, student athletic, class, and club activities.

➤ **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to

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**DISTRICT SCHOOL BOARD OF
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be available if they are collected within 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The Proprietary Funds are accounted for as proprietary activities under standards issued by the Financial Accounting Standards Board through November 1989 and applicable standards issued by the Governmental Accounting Standards Board. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of the District's internal service funds are charges for employee health insurance premiums. Operating expenses include insurance claims and excess coverage premiums. The principal operating revenues of the District's enterprise fund are charges for membership and services to consortium participants. Operating expenses are primarily for purchased services.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The charter schools, shown as discretely presented component units, are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

The Escambia County Public Schools Foundation for Excellence, Inc., shown as a discretely presented component unit, is accounted for under the not-for-profit basis of accounting and uses the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

➤ **Deposits and Investments**

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The statement of cash flows considers cash and cash equivalents as those amounts in demand deposit accounts and all highly liquid investments with an original maturity of three months or less.

Investments consist of amounts placed in State Board of Administration Debt Service accounts for investment of debt service moneys and those made locally.

Investments made locally consist of money market mutual funds and are reported at fair value. Types and amounts of investments held at fiscal year-end are described in a subsequent note on investments.

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**DISTRICT SCHOOL BOARD OF
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➤ **Inventories**

Inventories consist of expendable supplies held for consumption in the course of District operations. Material stores, maintenance stores, custodial stores, transportation stores, and purchased food and lunchroom supply inventories are stated at cost on the first-in, first-out basis. Fuel inventories are stated at an average-cost basis. The United States Department of Agriculture surplus commodities are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net assets but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	15 years
Buildings and Fixed Equipment	20 - 55 years
Furniture, Fixtures, and Equipment	5 - 15 years
Motor Vehicles	10 - 20 years
Audio Visual Materials and Computer Software	10 - 15 years

Current-year information relative to changes in capital assets is described in a subsequent note.

➤ **Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net assets. Bond and certificates of participation (COP) premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the effective interest method. Bonds and COP payable are reported net of the applicable premiums or discounts.

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued and premiums on debt issuance are reported as other financing sources, while discounts on debt issuances are reported

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**DISTRICT SCHOOL BOARD OF
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as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability is reported for compensated absences in the governmental fund financial statements only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement).

Changes in long-term liabilities for the current year are reported in a subsequent note.

➤ **State Revenue Sources**

Revenues from State sources for current operations are primarily from the Florida Education Finance Program administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department performs certain edit checks on the reported number of FTE and related data, and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of nine months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The State provides financial assistance to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided, and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical educational programs. The Department generally requires that categorical educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is reserved in the governmental fund financial statements for the unencumbered balance of categorical educational program resources.

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District also received an allocation under the Classrooms for Kids Program. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department.

A schedule of revenue from State sources for the current year is presented in a subsequent note.

➤ **District Property Taxes**

The School Board is authorized by State law to levy property taxes for district school operations, capital improvements, and debt service.

Property taxes consist of ad valorem taxes on real and personal property within the District. Property values are determined by the Escambia County Property Appraiser, and property taxes are collected by the Escambia County Tax Collector.

The School Board adopted the 2007 tax levy on September 18, 2007. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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Taxes become a lien on the property on January 1, and are delinquent on April 1 of the year following the year of assessment. State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes, and for enforcement of collection of real property taxes by the sale of interest-bearing tax certificates to satisfy unpaid taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the Escambia County Tax Collector at fiscal year-end but not yet remitted to the District.

Millages and taxes levied for the current year are presented in a subsequent note.

➤ **School Capital Outlay Surtax**

The citizens of Escambia County, on September 5, 2006, approved a 0.5 percent school capital outlay sales surtax authorized under Section 212.055(6), Florida Statutes. The surtax proceeds are to be used for fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses which have a useful life expectancy of ten or more years, and retrofitting and technology implementation and any land acquisition, land improvement, design, and engineering costs related thereto.

➤ **Federal Revenue Sources**

The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to, and approved by, various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

The Board follows procedures established by State statutes and State Board of Education rules in establishing budget balances for governmental funds, as described below:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, pupil personnel services, and school administration) and may be amended by resolution at any School Board meeting prior to the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

3. INVESTMENTS

As of June 30, 2008, the District has the following investments and maturities:

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Investment	Maturities	Fair Value
The Reserve Primary Fund - Liquidity Class I	51 Day Average	\$ 46,147,183
Morgan Stanley Institutional Liquidity Funds - Government Portfolio	40 Day Average	41,123,369
Columbia Treasury Reserves (1)	3 Day Average	1,179,177
State Board of Administration Debt Service Accounts	6 Months	<u>231,420</u>
Total Investments, Primary Government Component Units:		<u>88,681,149</u>
Certificates of Deposit		<u>1,313,935</u>
Total Investments, Reporting Entity		<u>\$ 89,995,084</u>

Note: (1) These investments are held under trust agreements in connection with the Certificates of Participation, Series 1996, 2002, 2004, 2005, and 2006 financing arrangements.

Interest Rate Risk

- Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. In order to provide sufficient liquidity to pay obligations as they come due, the District's investment policy limits authorized investments to the Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, interest-bearing time deposits or savings accounts in qualified public depositories, and direct obligations of the U.S. Treasury.

Credit Risk

- The District's investment policy limits authorized investments to the types of investments described above.
- The District's investments in the Local Government Surplus Funds Trust Fund are rated AAAM by Standard & Poor's.
- The District's investments in The Reserve Primary Fund – Liquidity Class I are rated AAAM by Standard & Poor's. In September 2008, the District withdrew all moneys invested in this money market account.
- The District's investments in the Morgan Stanley Institutional Liquidity Funds – Government Portfolio are rated AAAM by Standard & Poor's and Aaa by Moody's Investors Service. In September 2008, the District withdrew all moneys invested in this money market account.
- The District's investments in the Columbia Treasury Reserves are rated AAAM by Standard & Poor's and Aaa by Moody's Investors Service.

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**DISTRICT SCHOOL BOARD OF
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- The District's investments in the State Board of Administration Debt Service Accounts are to provide for debt service payments on bond debt issued by the State Board of Education for the benefit of the District. The District relies on policies developed by the State Board of Administration for managing credit risk for this account.

Custodial Credit Risk

- Section 218.415(18), Florida Statutes, requires the District to earmark all investments and 1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; 2) if in book entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of business in this State, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault. The District does not have a formal investment policy that addresses custodial credit risk.

4. RECEIVABLES

The majority of receivables are due from other agencies. These receivables and the remaining accounts receivable are considered to be fully collectible. As such, no allowance for uncollectible receivables is accrued.

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below.

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**DISTRICT SCHOOL BOARD OF
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	Balance 7-1-07	Additions	Deletions	Balance 6-30-08
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 6,496,963	\$ 78,568	\$	\$ 6,575,531
Construction in Progress	17,755,877	14,470,488	22,135,275	10,091,090
Total Capital Assets Not Being Depreciated	24,252,840	14,549,056	22,135,275	16,666,621
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	6,919,939	1,285,545		8,205,484
Buildings and Fixed Equipment	291,093,523	20,781,161	26,179	311,848,505
Furniture, Fixtures, and Equipment	14,277,670	1,521,611	794,876	15,004,405
Motor Vehicles	30,643,081	209,672	1,609,968	29,242,785
Property Under Capital Leases	11,313,019			11,313,019
Audio Visual Materials and Computer Software	7,698,437	514,827		8,213,264
Total Capital Assets Being Depreciated	361,945,669	24,312,816	2,431,023	383,827,462
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	2,783,124	508,234		3,291,358
Buildings and Fixed Equipment	104,698,837	5,958,950	14,040	110,643,747
Furniture, Fixtures, and Equipment	8,684,969	964,806	554,637	9,095,138
Motor Vehicles	9,999,202	1,533,787	1,293,482	10,239,507
Property Under Capital Leases	10,195,986	178,955		10,374,941
Audio Visual Materials and Computer Software	4,217,267	502,755		4,720,022
Total Accumulated Depreciation	140,579,385	9,647,487	1,862,159	148,364,713
Total Capital Assets Being Depreciated, Net	221,366,284	14,665,329	568,864	235,462,749
Governmental Activities Capital Assets, Net	\$ 245,619,124	\$ 29,214,385	\$ 22,704,139	\$ 252,129,370

The classes of property under capital leases are presented in Note 7.

Depreciation expense was charged to functions as follows:

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**DISTRICT SCHOOL BOARD OF
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<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 6,039,885
Pupil Personnel Services	40,118
Instructional Media Services	124,858
Instruction and Curriculum Development Services	44,332
Instructional Staff Training Services	19,347
Instruction Related Technology	452,269
Board of Education	1,138
General Administration	12,145
School Administration	122,007
Facility Services	49,283
Fiscal Services	1,808
Food Services	305,583
Central Services	118,830
Pupil Transportation Services	1,373,766
Operation of Plant	1,145
Maintenance of Plant	311,755
Administrative Technology Services	<u>629,218</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 9,647,487</u></u>

6. SCHOOL DISTRICT LOAN PROGRAM

In accordance with the School District Loan Program authorized by Chapter 2006-25, Laws of Florida, the District applied for and received an interest-free loan from the Florida Department of Education totaling \$2,571,706. The loan enabled the District to meet operating expenses while awaiting resolution of litigation regarding school property taxes for Pensacola Beach property owners. Loan provisions require District personnel to notify the Florida Department of Education within 5 business days after the resolution of the litigation. Repayment of the loan must be made within 20 business days following the resolution of the litigation or the District may submit a repayment plan not to exceed two fiscal years.

7. OBLIGATIONS UNDER CAPITAL LEASES

The classes and amounts of property being acquired under capital leases are as follows:

	<u>Asset Balance</u>
Energy Performance	\$ 9,338,662
E-Rate Fiber Optics	1,419,930
Software	<u>554,427</u>
Total	<u><u>\$ 11,313,019</u></u>

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**DISTRICT SCHOOL BOARD OF
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Future minimum capital lease payments and the present value of the minimum lease payments as of June 30 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 1,077,363	\$ 986,670	\$ 90,693
2010	696,342	658,948	37,394
2011	315,349	301,258	14,091
2012	<u>79,140</u>	<u>78,112</u>	<u>1,028</u>
Total Minimum Lease Payments	<u>\$2,168,194</u>	<u>\$2,024,988</u>	<u>\$ 143,206</u>

The stated interest rates range from 5.27 to 5.67 percent.

8. CERTIFICATES OF PARTICIPATION

The District entered into financing arrangements, characterized as lease purchase agreements, with the Florida School Boards Association, Inc., whereby the District secured financing of various educational facilities. The financing was accomplished through the issuance of Certificates of Participation to be repaid from the proceeds of rents paid by the District. The following schedule describes the current status of these issues at June 30, 2008:

<u>Issue</u>	<u>Original</u>	<u>Principal</u>		<u>Refunded By Series</u>	<u>Balance</u>
	<u>Amount</u>	<u>Paid</u>	<u>Refunded</u>		<u>6/30/2008</u>
Series 1992	\$ 55,830,000	\$15,030,000	\$ 40,800,000	1996-1, 2002	\$
Series 1996-1	26,740,000	4,110,000	19,145,000	2005, 2006	3,485,000
Series 1996-2	21,645,000		21,645,000	2004	
Series 2002	16,745,000	9,300,000			7,445,000
Series 2004	22,725,000	460,000			22,265,000
Series 2005	10,000,000	93,282			9,906,718
Series 2006	10,000,000	181,670			9,818,330

As a condition of the financing arrangements, the District has given ground leases on District property to the Florida School Boards Association, Inc. The ground leases on the property associated with the Series 1992, 1996-1, 2002, 2005, and 2006 Certificates end on the earlier of (a) the date on which the Series 1996-1, 2005, and 2006 Certificates, and any Certificates of Participation refunding such Certificates, have been paid in full or provision for their payment has been made or, (b) June 30, 2028. The ground leases on the property associated with the Series 1996-2 and 2004 Certificates end on the earlier of (a) the date on which the series of Certificates has been paid in full or, (b) June 30, 2032. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to term,

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DISTRICT SCHOOL BOARD OF
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the District may be required to surrender the sites included under the ground lease agreements for the benefit of the securers of the Certificates until the end of the ground leases.

The District properties included in the ground leases under these arrangements include the following:

Certificates of Participation Series 1992, 1996-1, 2002, 2005, and 2006:

- Hellen Caro Elementary School
- C.A. Weis Elementary School
- R.C. Lipscomb Elementary School
- Jim Allen Elementary School – Administrative Suite/Media Center
- Bellview Elementary School – Classroom Building
- Cordova Park Elementary School – Five Classroom Additions/Media Center
- Edgewater Elementary School – Classroom Wing/Media Center
- Escambia Westgate Center – Pre-Kindergarten Classroom Renovation
- Holm Elementary School – Classrooms/Media Center
- Myrtle Grove Elementary School – Classroom Addition
- Navy Point Elementary School – Classroom Addition/Administrative Suite
- Pine Meadow Elementary School – Media Center/Kindergarten Classrooms/Administrative Suite
- Pleasant Grove Elementary School – Dining/Classroom Addition/Administrative Suite
- Scenic Heights Elementary School – Pre-Kindergarten Classrooms/Media Center
- Sherwood Elementary School – Pre-Kindergarten Classrooms/Media Center
- Jim C. Bailey Middle School
- Northview High School
- West Florida School of Advanced Technology (the portion formerly known as Beggs Educational Center and used primarily for instructional purposes)
- Tate High School – Physical Education Facility

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**DISTRICT SCHOOL BOARD OF
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Certificates of Participation Series 1996-2 and 2004:

- N.B. Cook Elementary School
- Tate High School – Cafeteria/Media Center Addition and Renovation/ESE/ROTC Classroom Building
- Myrtle Grove Elementary School – Media Center/Classroom Building Renovation
- Navy Point Elementary School – ESE Classroom Building
- Ferry Pass Middle School – ESE Classroom Building
- Carver/Century K-8 Elementary School – Physical Education Building/Media Center/Classroom Additions

The lease payments are payable by the District, semiannually, on August 1 and February 1 at interest rates ranging from 2.8 to 5.5 percent. The following is a schedule by years of future minimum lease payments under the lease agreements together with the present value of minimum lease payments as of June 30:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 4,948,370	\$ 2,645,210	\$ 2,303,160
2010	4,944,815	2,761,000	2,183,815
2011	4,945,452	2,889,850	2,055,602
2012	4,941,172	3,018,855	1,922,317
2013	5,136,131	3,355,892	1,780,239
2014-2018	25,858,706	19,194,241	6,664,465
2019-2022	<u>21,008,625</u>	<u>19,055,000</u>	<u>1,953,625</u>
Total Minimum Lease Payments	71,783,271	52,920,048	18,863,223
Plus: Unamortized Premium	<u>616,781</u>	<u>616,781</u>	
Total Certificates of Participation	<u>\$ 72,400,052</u>	<u>\$ 53,536,829</u>	<u>\$ 18,863,223</u>

9. INTEREST RATE SWAP AGREEMENTS

The District is a party to two interest rate swap agreements that are not recorded in the financial statements. The following paragraphs disclose key aspects of these agreements.

Objectives of the Interest Rate Swap Agreements – In order to protect against the potential of rising interest rates, the District entered into pay-fixed, receivable-variable interest rate swap agreements with Bank of America (the counterparty), for both the \$10,000,000 Series 2005 and \$10,000,000 Series 2006 Certificates of Participation. Effectively, the swap agreements changed the District’s variable interest rate on the Series

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DISTRICT SCHOOL BOARD OF
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2005 and 2006 Certificates of Participation to synthetically fixed interest rates of 3.896 percent and 4.106 percent, respectively.

Terms – The District entered into the first swap agreement at the same time it issued the variable rate Series 2005 Certificates of Participation (December 2005). The swap agreement’s original notional amount of \$10,000,000 matched the Series 2005 Certificates of Participation’s original principal amount of \$10,000,000. Beginning in the 2006-07 fiscal year, the notional value of the swap agreement and the principal amount of the associated debt began to decline. Under the terms of the swap agreement, the District pays the counterparty a fixed interest payment of 3.896 percent and receives from the counterparty a variable interest payment computed as 63.7 percent of the London Interbank Offered Rate (LIBOR) plus 0.65 percent. The District has the right to cancel the swap on six specific dates beginning May 1, 2015, and ending August 1, 2017. The Series 2005 Certificates of Participation and related cancelable swap agreement mature on February 1, 2018.

The District entered into the second swap agreement at the same time it issued the variable rate Series 2006 Certificates of Participation (May 2006). The swap agreement’s original notional amount of \$10,000,000 matched the Series 2006 Certificates of Participation’s original principal amount of \$10,000,000. Starting in the 2006-07 fiscal year, the notional value of the swap agreement and the principal amount of the associated debt began to decline. Under the terms of the swap agreement, the District pays the counterparty a fixed interest payment of 4.106 percent and receives from the counterparty a variable interest payment computed as 63.7 percent of the LIBOR plus 0.65 percent. The Series 2006 Certificates of Participation and related swap agreement mature on February 1, 2015.

Bank of America purchased the 2005 and 2006 Certificates of Participation from the District. Since Bank of America is both the purchaser of the Certificates of Participation and the counterparty to the swap agreement, in practice the District simply remits the fixed rate interest payment to the Trustee for the Certificates of Participation, who in turn remits that interest payment to Bank of America.

Fair Value – Because interest rates have declined since the inception of the swap agreements, the swap agreement related to the Series 2005 Certificates of Participation has a negative fair value of \$281,990 as of June 30, 2008, and the swap agreement related to the Series 2006 Certificates of Participation has a negative fair value of \$451,919 as of June 30, 2008. The counterparty, using a proprietary valuation model, estimated the fair value. The model calculates future cash flows by projecting forward interest rates, and then discounts those cash flows at their present value. All rates used in the valuation are mid-market levels (mid-way between bid and ask), or are model-based mid-market levels when mid-market levels are not available.

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The fair values provided take certain factors into consideration, including liquidity of the swap market and the uniqueness of the deal structure as documented in the swap agreements.

Swap Payments and Associated Debt – Using rates as of June 30, 2008, debt service requirements of the variable rate debt and net swap payments, assuming current interest rates remain the same through the term of the Certificates of Participation, were as follows. As rates vary, variable rate bond interest payments and net swap payments will vary.

Fiscal Year Ending June 30	Series 2005 Principal	Interest (1)	Swaps, Net (2)	Total
2009	\$ 48,319	\$ 163,561	\$ 228,838	\$ 440,718
2010	51,245	162,763	226,655	440,663
2011	53,232	161,917	225,477	440,626
2012	55,297	161,038	224,253	440,588
2013	56,411	160,125	224,031	440,567
2014-2018	9,642,214	586,830	817,782	11,046,826
Total	<u>\$ 9,906,718</u>	<u>\$ 1,396,234</u>	<u>\$ 1,947,036</u>	<u>\$ 13,249,988</u>

Notes: (1) Assumes a variable interest rate of 1.6386448 percent.

(2) Assumes a fixed swap rate payment of 3.896 percent and a variable swap rate receipt of 1.6386448 percent.

Fiscal Year Ending June 30	Series 2006 Principal	Interest (1)	Swaps, Net (2)	Total
2009	\$ 41,891	\$ 162,101	\$ 247,758	\$ 451,750
2010	44,755	161,410	245,586	451,751
2011	46,618	160,671	244,462	451,751
2012	48,559	159,901	243,291	451,751
2013	2,999,481	159,100	243,170	3,401,751
2014-2015	6,637,025	163,464	248,711	7,049,200
Total	<u>\$ 9,818,329</u>	<u>\$ 966,647</u>	<u>\$ 1,472,978</u>	<u>\$ 12,257,954</u>

Notes: (1) Assumes a variable interest rate of 1.6386448 percent.

(2) Assumes a fixed swap rate payment of 4.106 percent and a variable swap rate receipt of 1.6386448 percent.

Credit Risk – Credit risk is the risk that the counterparty will not fulfill its obligations. As of June 30, 2008, the District was not exposed to credit risk because the swap agreements have a negative fair value. However, should interest rates rise and the value of the swap agreements become positive, the District would be exposed to credit risk in the amount of the swap agreements' fair values. The counterparty has a credit rating from Standard & Poor's of AA.

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Termination Risk – The District or the counterparty may terminate the swap agreements if the other party fails to perform under the terms of the swap agreements. If either swap agreement is terminated, the applicable variable rate certificates of participation would no longer carry a synthetic interest rate. Also, if at the time of termination the swap agreement has a negative fair value, the District would be liable to the counterparty for a payment equal to the swap agreement’s fair value.

10. BONDS PAYABLE

Bonds payable at June 30, 2008, are as follows:

Bond Type	Original Debt Issue Amount	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:				
Series 2002-B (Refunding)	\$ 6,415,000	\$ 4,780,000	3.5-5.375	2015
Series 2003-A	750,000	670,000	3.0-4.25	2023
Series 2004-A	250,000	230,000	3.25-4.625	2024
Series 2005-A	115,000	110,000	4.0-5.0	2025
Series 2005-A (Refunding)	2,935,000	2,600,000	4.0-5.0	2017
Series 2005-B (Refunding)	325,000	325,000	5.0	2018
Series 2008-A	<u>1,295,000</u>	<u>1,295,000</u>	3.25-5.0	2028
Subtotal	12,085,000	10,010,000		
Unamortized Premiums (Discounts), Net	<u>345,840</u>	<u>223,673</u>		
Total Bonds Payable	<u>\$ 12,430,840</u>	<u>\$ 10,233,673</u>		

The various bonds were issued to finance capital outlay projects of the District. The following is a description of the bonded debt issues:

➤ **State School Bonds**

These bonds are issued by the State Board of Education on behalf of the District. The bonds mature serially, and are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for these bonds. Principal and interest payments, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the State Board of Education and the State Board of Administration.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2008, are as follows:

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Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds:			
2009	\$ 1,402,310	\$ 910,000	\$ 492,310
2010	1,406,554	960,000	446,554
2011	1,422,410	1,025,000	397,410
2012	1,439,931	1,095,000	344,931
2013	1,453,331	1,155,000	298,331
2014-2018	4,144,505	3,460,000	684,505
2019-2023	1,073,334	825,000	248,334
2024-2028	650,731	580,000	70,731
Subtotal	12,993,106	10,010,000	2,983,106
Unamortized Premiums (Discounts), Net	223,673	223,673	
Total Bonds Payable	<u>\$ 13,216,779</u>	<u>\$ 10,233,673</u>	<u>\$ 2,983,106</u>

11. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

Description	Balance 7-1-07	Additions	Deductions	Balance 6-30-08	Due in One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable	\$ 9,555,000	\$ 1,295,000	\$ 840,000	\$ 10,010,000	\$ 910,000
Unamortized Premiums (Discounts), Net	209,305	46,756	32,388	223,673	
Total Bonds Payable	<u>9,764,305</u>	<u>1,341,756</u>	<u>872,388</u>	<u>10,233,673</u>	<u>910,000</u>
Certificates of Participation Payable	55,463,867		2,543,819	52,920,048	2,645,210
Unamortized Premium	668,012		51,231	616,781	
Total Certificates of Participation Payable	<u>56,131,879</u>		<u>2,595,050</u>	<u>53,536,829</u>	<u>2,645,210</u>
Obligations Under Capital Leases	3,076,029		1,051,041	2,024,988	986,670
Estimated Insurance Claims Payable	25,447,943	40,730,594	40,649,325	25,529,212	7,467,682
Compensated Absences Payable	41,847,406	5,248,064	4,092,708	43,002,762	4,156,514
Postemployment Health Care Benefits Payable		122,000		122,000	
Total Governmental Activities	<u>\$ 136,267,562</u>	<u>\$ 47,442,414</u>	<u>\$ 49,260,512</u>	<u>\$ 134,449,464</u>	<u>\$ 16,166,076</u>

For the governmental activities, compensated absences are generally liquidated with resources of the General Fund. The estimated insurance claims are generally liquidated with resources of the Internal Service Funds.

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12. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a summary of interfund receivables and payables reported in the fund financial statements:

Funds	Interfund	
	Receivables	Payables
Major:		
General	\$ 4,583,025	\$ 672,576
Capital Projects:		
Local Capital Improvement		3,029,712
Other		11,509
Nonmajor Governmental	12,665	694,066
Internal Service	565,443	728,709
Agency		24,561
Total	\$ 5,161,133	\$ 5,161,133

The interfund receivables and payables represent the payment of expenditures by one fund for another fund and will be repaid within 12 months.

The following is a summary of interfund transfers reported in the fund financial statements:

Funds	Interfund	
	Transfers In	Transfers Out
Major:		
General	\$ 10,448,151	\$
Capital Projects:		
Local Capital Improvement		14,206,773
Other		596,216
Enterprise:		
Panhandle Management		
Development Network Consortium		4,755
Nonmajor Governmental	5,000,000	640,407
Total	\$ 15,448,151	\$ 15,448,151

Transfers to the General Fund were made to assist in financing maintenance operations, the lease of instructional equipment, and for the payment of property insurance premiums. Transfers to the Nonmajor Governmental Funds were to facilitate the payment of debt service principal and interest.

13. RESERVE FOR ENCUMBRANCES

Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered.

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The Florida Department of Education requires that fund balances be reserved at fiscal year-end to report an amount likely to be expended from the 2008-09 fiscal year budget as a result of purchase orders outstanding at June 30, 2008.

14. ADJUSTMENT TO NET ASSETS – COMPONENT UNITS

The decrease of \$8,044 in beginning net assets on the statement of activities related to the Escambia Charter School, Inc., and was made to correct a prior year error relating to the capitalization of a software maintenance contract that should have been expensed.

15. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2007-08 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 119,465,949
Categorical Educational Programs:	
Class Size Reduction/Operating Funds	38,609,221
Transportation	11,109,982
Supplemental Academic Instruction	11,060,523
Instructional Materials	4,142,385
Class Size Reduction/Capital Funds	4,061,135
Excellent Teaching	1,720,829
Comprehensive K-12 Reading Plan	1,665,913
School Recognition Funds	1,661,782
Safe Schools	1,239,234
Voluntary Prekindergarten Program	1,022,492
Florida Teacher Lead Program	756,789
Gross Receipts Tax (Public Education Capital Outlay)	6,231,986
Workforce Development Program	5,272,821
Discretionary Lottery Funds	1,880,022
Motor Vehicle License Tax (Capital Outlay and Debt Service)	1,653,929
Wee Read School Readiness	698,767
Charter School Capital Outlay	596,216
Food Service Supplement	367,566
Adults with Disabilities	270,706
Learning for Life	182,390
Performance Based Incentives	154,358
Succeed Florida Grant	141,471
Law Enforcement - General	92,600
Mobile Home License Tax	72,061
Miscellaneous	<u>920,567</u>
Total	<u>\$215,051,694</u>

Accounting policies relating to certain State revenue sources are described in Note 1.

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16. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2007 tax roll for the 2007-08 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
<u>GENERAL FUND</u>		
Nonvoted School Tax:		
Required Local Effort	4.960	\$ 79,108,189
Basic Discretionary Local Effort	0.510	8,134,108
Supplemental Discretionary Local Effort	0.250	3,987,308
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvements	2.000	31,898,463
Total	7.720	\$ 123,128,068

17. FLORIDA RETIREMENT SYSTEM

All regular employees of the District are covered by the State-administered Florida Retirement System (FRS). Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein eligibility, contributions, and benefits are defined and described in detail. Essentially all regular employees of participating employers are eligible and must enroll as members of FRS. FRS is a single retirement system administered by the Division of Retirement, Department of Management Services and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined benefit pension plan (Plan), a Deferred Retirement Option Program (DROP), and a defined contribution plan, referred to as the Public Employee Optional Retirement Program (PEORP).

Benefits in the Plan vest at six years of service. All vested members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, which may include up to 4 years of credit for military service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with

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an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in PEORP in lieu of the Plan. District employees participating in DROP are not eligible to participate in PEORP. Employer contributions are defined by law; however, the ultimate benefit depends in part on the performance of investment funds. PEORP is funded by employer contributions that are based on salary and membership class (Regular Class, Elected County Officers, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Benefits in PEORP vest after one year of service. There were 580 District participants during the 2007-08 fiscal year. Required contributions made to PEORP totaled \$1,849,473.

FRS Retirement Contribution Rates

The Florida Legislature establishes, and may amend, contribution rates for each membership class of FRS. During the 2007-08 fiscal year, contribution rates were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	0.00	9.85
Florida Retirement System, Elected County Officers	0.00	16.53
Teacher's Retirement System, Plan E	6.25	11.35
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes or Plan	0.00	10.91
Florida Retirement System, Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.11 percent for the post-employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .05 percent for administrative costs of the Public Employee Optional Retirement Program.

(B) Contribution rates are dependent upon retirement class or plan in which reemployed.

The District's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions (including employee contributions) for the fiscal years ended June 30, 2006, June 30, 2007, and June 30, 2008, totaled

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\$14,919,364, \$19,489,904, and \$18,653,539, respectively, which were equal to the required contributions for each fiscal year.

The financial statements and other supplementary information of FRS are included in the comprehensive annual financial report of the State of Florida, which may be obtained from the Florida Department of Financial Services. Also, an annual report on FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement.

18. SPECIAL TERMINATION BENEFITS

School Board policy provides for the payment of retirement incentive bonuses to District personnel who retire by the end of the fiscal year in which they first become eligible under any retirement plan sponsored by a unit of Florida municipal, local, or State government and who have a minimum of 15 years of service with the Escambia County School District. The retirement incentive is equal to 25 percent of the qualified employee's gross annual salary. In addition to payments made for regular termination benefits, the District reported expenditures totaling \$389,094 during the 2007-08 fiscal year for retirement incentive pay.

19. POSTEMPLOYMENT HEALTH CARE BENEFITS

Effective for the 2007-08 fiscal year, the District implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain postemployment health care benefits provided by the District. The requirements of this Statement are being implemented prospectively, with the actuarially determined liability of \$32,599,000 at the October 1, 2007, date of transition amortized over 30 years. Accordingly, for financial reporting purposes, no liability is reported for the postemployment health care benefits liability at the date of transition.

Plan Description. The Postemployment Health Care Benefits Plan is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District are eligible to participate in the District's self-insured health and hospitalization plan for medical, prescription drug, dental, and vision coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Additionally, certain retirees receive insurance coverage at a lower (explicitly subsidized) premium rate than active employees. The benefits

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provided under this defined benefit plan are provided for a fixed number of years determined at the time of retirement based on the number of years worked for the District. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The Postemployment Healthcare Benefits Plan does not issue a stand-alone report, and is not included in the report of a Public Employee Retirement System or another entity.

Funding Policy. For the Postemployment Health Care Benefits Plan, contribution requirements of the District are established by the Board. The District has not advance-funded or established a funding methodology for the annual Other Post Employment Benefit (OPEB) costs or the net OPEB obligation. For the 2007-08 fiscal year, 1,214 retirees received postemployment health care benefits. The District provided required contributions of \$2,490,000 toward the annual OPEB cost, comprised of benefit payments made on behalf of retirees for claims expenses (net of reinsurance), administrative expenses, and reinsurance premiums, and net of retiree contributions totaling \$5,894,000.

Annual OPEB Cost and Net OPEB Obligation. The District's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with parameters of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The following table shows the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation for Postemployment Health Care Benefits:

<u>Description</u>	<u>Amount</u>
Normal Cost (service cost for one year)	\$ 1,244,000
Amortization of Unfunded Actuarial Accrued Liability	1,244,000
Interest on Normal Cost and Amortization	<u>124,000</u>
Annual Required Contribution	2,612,000
Interest on Net OPEB Obligation	
Adjustment to Annual Required Contribution	<u> </u>
Annual OPEB Cost (Expense)	2,612,000
Contribution Toward the OPEB Cost	<u>(2,490,000)</u>
Increase in Net OPEB Obligation	122,000
Net OPEB Obligation, Beginning of Year	<u> </u>
Net OPEB Obligation, End of Year	<u><u>\$ 122,000</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

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Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Beginning Balance, 10-1-07 2007-08	\$ 2,612,000	95.3%	\$ 122,000

Funded Status and Funding Progress. As of October 1, 2007, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$32,599,000 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$32,599,000. The covered payroll (annual payroll of active participating employees) was \$205,595,499 for the 2007-08 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 15.9 percent.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The initial OPEB actuarial valuation was completed for the period October 1, 2007, through September 30, 2008, which was the plan year for the District's Employee Benefit Program.

The District's initial OPEB actuarial valuation as of October 1, 2007, used the unit credit method to estimate the unfunded actuarial liability, and the unit credit method to estimate the District's 2007-08 fiscal year annual required contribution. Because the OPEB liability is currently unfunded, the actuarial assumptions included a 5 percent rate of return on invested assets, which is the District's long-term expectation of investment returns under its investment policy. The actuarial assumptions also included a payroll growth rate of 4 percent per year, and an annual healthcare cost trend rate of 11 percent initially for the 2007-08 fiscal year, reduced by 0.5 percent per year, to an ultimate rate of 6 percent. The unfunded actuarial accrued

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liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization is 29 years.

20. CONSTRUCTION CONTRACT COMMITMENTS

The following is a summary of major construction contract commitments remaining at fiscal year-end:

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Project	Contract Amount	Completed to Date	Balance Committed
Lonleaf Elementary School Modular Classrooms:			
Architect/Engineer	\$ 11,500	\$ 5,750	\$ 5,750
Contractor	352,004		352,004
McArthur Elementary School Modular Classrooms:			
Architect/Engineer	11,500	5,750	5,750
Contractors	353,643		353,643
Cordova Park Elementary School Classrooms Addition:			
Architect/Engineer	188,658	128,581	60,077
Contractor	1,961,000	103,230	1,857,770
Warrington Elementary School Additions/Renovations:			
Architect/Engineer	115,664	86,947	28,717
Contractor	1,253,000		1,253,000
Pensacola High School Athletic Facilities:			
Architect/Engineer	252,961	205,471	47,490
Contractor	2,198,000	399,054	1,798,946
Lipscomb Elementary School Access Road:			
Architect/Engineer	105,290	91,944	13,346
Contractor	694,938	188,278	506,660
Brown-Barge Middle School Media Center Addition:			
Architect/Engineer	91,846	68,451	23,395
Contractors	636,692	125,325	511,367
Washington High School Auditorium:			
Architect/Engineer	524,609	374,257	150,352
Contractor	4,077,257		4,077,257
Bellview Elementary School Media Center Addition/Art Renovations:			
Architect/Engineer	116,041	80,182	35,859
Contractor	1,440,800		1,440,800
Escambia Westgate Classrooms and Media Center:			
Architect/Engineer	191,007	165,340	25,667
Contractors	2,345,517	1,710,647	634,870
Ferry Pass Middle School HVAC Renovations:			
Architect/Engineer	91,238	61,427	29,811
Contractor	724,287	365,410	358,877
Montclair Elementary School HVAC Renovations:			
Architect/Engineer	81,427	55,701	25,726
Contractor	790,250	188,276	601,974
Transportation Fueling Facility:			
Architect/Engineer	77,000	60,540	16,460
Contractor	920,000		920,000
Navy Point Elementary School HVAC and General Renovations:			
Architect/Engineer	215,064	162,767	52,297
Contractors	1,852,284	209,731	1,642,553
Bellview Middle School HVAC Renovations:			
Contractors	533,537	83,404	450,133
Brown Barge Middle School HVAC Renovations:			
Architect/Engineer	74,362	49,697	24,665
Contractors	911,595	677,985	233,610
Bellview Middle School General Renovations:			
Architect/Engineer	159,868	119,297	40,571
Contractors	862,765	187,004	675,761
Hellen Caro Elementary School General Renovations:			
Architect/Engineer	24,970	24,870	100
Contractors	262,983		262,983
Warrington Middle School Cafeteria Expansion/Renovations:			
Architect/Engineer	10,375		10,375
Contractors	1,525,451	1,066,718	458,733
Total	\$ 26,039,383	\$ 7,052,034	\$ 18,987,349

(Continued)
**DISTRICT SCHOOL BOARD OF
ESCAMBIA COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

21. CONSORTIUM

During the 2007-08 fiscal year, the District was a member and fiscal agent for the Panhandle Management Development Network (Consortium) which performed, contracted for, and purchased certain services to be used by member school districts. The Consortium activities were accounted for as an Enterprise Fund in the financial statements of the District. During the 2007-08 fiscal year, the Consortium was dissolved and all existing assets of the Consortium were transferred to the District.

22. RISK MANAGEMENT PROGRAMS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is self-insured for property losses, except that commercial property insurance having a number of different deductibles, sublimits, and policy maximums has been purchased to limit the District's exposure to loss. The District provides a self-insurance program for workers' compensation, automobile liability, and general liability coverage. These activities are accounted for in a Risk Management Fund, a part of the Internal Service Funds reported on the basic financial statements of the District. For automobile and general liability, the District generally relies upon the sovereign immunity limits of Section 768.28, Florida Statutes, which limits the District's liability to \$100,000 for each claimant and \$200,000 in any one occurrence. Workers compensation claims, except for certain claims covered under stop-loss insurance policies purchased in prior years, are fully covered by the District.

The District also provides commercially purchased life insurance and self-insured dental, prescription drug, and health coverage to its employees, retirees, and their dependents. These activities are accounted for in the Escambia School District Employee Benefit Trust which is reported in the Internal Service Funds on the basic financial statements of the District. The District has entered into agreements with various insurance companies to provide specific excess coverage of health claims that exceed a stated amount per policy period. In addition, third-party administrators have been contracted to assist in the payment and/or processing of dental, prescription drugs, and health claims.

Settled claims resulting from the risks described above have not exceeded commercial insurance coverage in any of the past three fiscal years.

For all programs for which the District is self-insured, an undiscounted liability in the amount of \$25,529,212 (\$21,174,540 for workers' compensation, automobile, and general liability claims, and \$4,354,672 for dental,

(Continued)
**DISTRICT SCHOOL BOARD OF
 ESCAMBIA COUNTY, FLORIDA**
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

prescription drug, and health insurance claims) was actuarially determined to cover estimated incurred, but not reported claims and insurance claims payable at June 30, 2008.

The following schedule represents the changes in claims liability for the past two fiscal years for the District's self-insurance program:

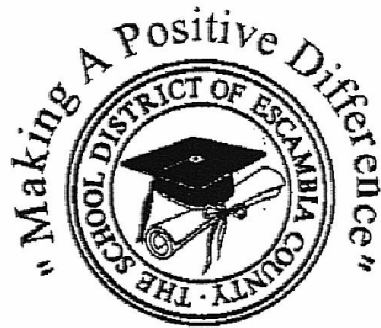
	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2006-07	\$21,664,322	\$41,357,608	\$(37,573,987)	\$25,447,943
2007-08	25,447,943	40,730,594	(40,649,325)	25,529,212

23. OTHER LOSS CONTINGENCY

The Escambia County Property Appraiser is involved in ongoing litigation with the Pensacola Beach Leaseholders and Residents Association regarding the appraisals on and taxability of the values of leasehold improvements on Pensacola Beach. During the litigation, some leaseholders have chosen to pay the assessed taxes while others have chosen not to pay the assessed taxes pending the outcome of the litigation. Depending upon the ultimate outcome of this litigation, the District may be entitled to their portion (estimated at \$7,624,603 at June 30, 2008) of the gross taxes uncollected from leaseholders, or the District may be required to return their portion of the gross taxes collected from the leaseholders. At June 30, 2008, the District has received \$2,915,467 in taxes collected from leaseholders.

24. LITIGATION

The District is involved in several pending and threatened legal actions. It is the opinion of District management, after giving consideration to the District's related insurance coverage, as well as statutory limitations on uninsured losses for governmental agencies, that the amount of loss from all such claims and actions would not materially affect the financial condition of the District.



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**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
SCHEDULES**

Nonmajor Governmental Funds

Special Revenue Funds

The Special Revenue Funds account for certain revenues derived from the State of Florida, the Federal Government and other local and private sources that are required to finance designated activities. Activities included within the funds are as follows:

Food Service Fund – To account for and report on activities of the food service program in serving breakfast and lunch at the schools.

Other Federal Programs Fund – To account for and report on activities of various programs of different funding sources according to the specifications and requirements of each funding source.

Debt Service Funds

The Debt Service Funds are used to account for the payment of interest and principal of the current portion on long-term debt.

Other Debt Service Fund – To account for and report on Certificates of Participation issues, characterized as lease-purchase agreements and Capital Leases.

State Board of Education (SBE) Bond Fund – To account for and report on payment of principal, interest, and related costs on the state school bonds issued by the State Board of Education on behalf of the District. These bonds are payable from the District's portion of the state-assessed motor vehicle license tax.

Nonmajor Governmental Funds (Continued)

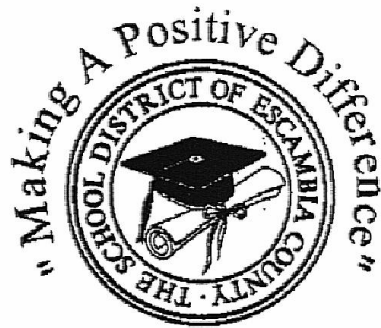
Capital Projects Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects. Specific funding sources included herein are:

Capital Outlay and Debt Service Fund – To account for and report on the excess dollars received through the State's Capital Outlay/Debt Service (CO/DS) program, used for construction and maintenance of schools.

Public Education Capital Outlay Fund – To account for and report on funds received from the State for the construction and maintenance of schools.

State Board of Education (SBE) Bond Fund – To account for and report on proceeds received from the bonds issued by the State Board of Education on behalf of the District.



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DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2008

	<u>Total Nonmajor Governmental Funds</u>	<u>Special Revenue Funds</u>			<u>Debt Service Funds</u>		
		<u>Total Nonmajor Special Revenue Funds</u>	<u>Food Service Fund</u>	<u>Other Federal Programs Fund</u>	<u>Total Nonmajor Debt Service Funds</u>	<u>Other Debt Service Fund</u>	<u>State Board of Education (SBE) Bond Fund</u>
ASSETS							
Cash	\$ 9,714,555	\$ 3,304,391	\$ 3,303,007	\$ 1,384	\$ 4,623,421	\$ 4,623,421	\$
Investments	1,410,595				1,410,595	1,179,177	231,418
Accounts Receivable	80,727	72,447	2,051	70,396			
Interest Receivable	9,724	5,798	5,798		1,327	1,327	
Due from Other Funds	12,665	12,665	12,665				
Due From Other Agencies	9,543,569	2,182,642	1,267,413	915,229			
Inventories	1,078,435	1,078,435	1,078,435				
TOTAL ASSETS	<u>\$ 21,850,270</u>	<u>\$ 6,656,378</u>	<u>\$ 5,669,369</u>	<u>\$ 987,009</u>	<u>\$ 6,035,343</u>	<u>\$ 5,803,925</u>	<u>\$ 231,418</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Salaries and Benefits Payable	\$ 22,613	\$ 22,613	\$ 3,551	\$ 19,062	\$	\$	\$
Accounts Payable	724,832	658,656	217,378	441,278	500	500	
Construction Contracts Payable	181,011						
Construction Contracts Payable - Retainage	128,811	31,210	31,210				
Due to Other Funds	694,066	323,418		323,418			
Due to Other Agencies	219,046	219,046	22,184	196,862			
Interest Payable	1,323,265				1,323,265	1,323,265	
Total Liabilities	<u>3,293,644</u>	<u>1,254,943</u>	<u>274,323</u>	<u>980,620</u>	<u>1,323,765</u>	<u>1,323,765</u>	
Fund Balances:							
Reserved for:							
Encumbrances	2,279,732	433,193	433,193				
Inventories	1,078,435	1,078,435	1,078,435				
Debt Service	231,418				231,418		231,418
Unreserved, Reported in:							
Special Revenue Funds	3,889,807	3,889,807	3,883,418	6,389			
Debt Service Funds	4,480,160				4,480,160	4,480,160	
Capital Projects Funds	6,597,074						
Total Fund Balances	<u>18,556,626</u>	<u>5,401,435</u>	<u>5,395,046</u>	<u>6,389</u>	<u>4,711,578</u>	<u>4,480,160</u>	<u>231,418</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 21,850,270</u>	<u>\$ 6,656,378</u>	<u>\$ 5,669,369</u>	<u>\$ 987,009</u>	<u>\$ 6,035,343</u>	<u>\$ 5,803,925</u>	<u>\$ 231,418</u>

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)
 June 30, 2008

Capital Projects Funds

	<u>Total Nonmajor Capital Projects Funds</u>	<u>Capital Outlay & Debt Service Fund</u>	<u>Public Education Capital Outlay Fund</u>	<u>State Board of Education (SBE) Bond Fund</u>
ASSETS				
Cash	\$ 1,786,743	\$ 1,156,229	\$ 102,719	\$ 527,795
Investments				
Accounts Receivable	8,280		8,280	
Interest Receivable	2,599	1,316	509	774
Due from Other Funds				
Due From Other Agencies	7,360,927		6,025,255	1,335,672
Inventories				
TOTAL ASSETS	<u>\$ 9,158,549</u>	<u>\$ 1,157,545</u>	<u>\$ 6,136,763</u>	<u>\$ 1,864,241</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Salaries and Benefits Payable	\$	\$	\$	\$
Accounts Payable	65,676		65,676	
Construction Contracts Payable	181,011		181,011	
Construction Contracts Payable - Retainage	97,601		97,601	
Due to Other Funds	370,648		370,648	
Due to Other Agencies				
Interest Payable				
Total Liabilities	<u>714,936</u>		<u>714,936</u>	
Fund Balances:				
Reserved for:				
Encumbrances	1,846,539	112,602	1,733,937	
Inventories				
Debt Service				
Unreserved, Reported in:				
Special Revenue Funds				
Debt Service Funds				
Capital Projects Funds	6,597,074	1,044,943	3,687,890	1,864,241
Total Fund Balances	<u>8,443,613</u>	<u>1,157,545</u>	<u>5,421,827</u>	<u>1,864,241</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,158,549</u>	<u>\$ 1,157,545</u>	<u>\$ 6,136,763</u>	<u>\$ 1,864,241</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2008

	<u>Total Nonmajor Governmental Funds</u>	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		
		<u>Total Nonmajor Special Revenue Funds</u>	<u>Food Service Fund</u>	<u>Other Federal Programs Fund</u>	<u>Total Nonmajor Debt Service Funds</u>	<u>Other Debt Service Fund</u>
REVENUES						
Federal Direct:						
Other Federal Direct	\$ 292,410	\$ 292,410	\$	\$ 292,410	\$	\$
Total Federal Direct	292,410	292,410		292,410		
Federal Through State:						
Food Service	10,611,256	10,611,256	10,611,256			
Other Federal Through State	29,824,230	29,824,230	799,575	29,024,655		
Total Federal Through State	40,435,486	40,435,486	11,410,831	29,024,655		
State:						
Food Service	367,566	367,566	367,566			
CO and DS Withheld for SBE/COBI Bond	1,270,660			1,270,660		1,270,660
CO and DS Distribution	358,903					
Public Education Capital Outlay	6,231,986					
Other State Sources	15,615	4,670	4,670	10,945		10,945
Total State	8,244,730	372,236	372,236	1,281,605		1,281,605
Local:						
Food Service	5,901,163	5,901,163	5,901,163			
Interest Income	298,335	118,904	118,904	122,066	122,066	
Other Local Sources	11,815	3,814	3,814			
Total Local	6,211,313	6,023,881	6,023,881	122,066	122,066	
Total Revenues	55,183,939	47,124,013	17,806,948	29,317,065	1,403,671	1,281,605

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
For the Fiscal Year Ended June 30, 2008

	<u>Total Nonmajor Governmental Funds</u>	<u>Special Revenue Funds</u>			<u>Debt Service Funds</u>		
		<u>Total Nonmajor Special Revenue Funds</u>	<u>Food Service Fund</u>	<u>Other Federal Programs Fund</u>	<u>Total Nonmajor Debt Service Funds</u>	<u>Other Debt Service Fund</u>	<u>State Board of Education (SBE) Bond Fund</u>
EXPENDITURES							
Current Education:							
Instruction	\$ 13,483,837	\$ 13,483,837	\$	\$ 13,483,837	\$	\$	\$
Pupil Personnel Services	2,765,465	2,765,465		2,765,465			
Instructional Media Services	72,634	72,634		72,634			
Instruction and Curriculum Development Services	5,107,141	5,107,141		5,107,141			
Instructional Staff Training Services	3,775,151	3,775,151		3,775,151			
Instruction Related Technology	1,162,795	1,162,795		1,162,795			
General Administration	828,902	828,902		828,902			
School Administration	2,280	2,280		2,280			
Facility Services	4,603,089						
Food Services	18,172,121	18,172,121	18,172,121				
Central Services	104,899	104,899		104,899			
Pupil Transportation Services	392,107	392,107		392,107			
Operation of Plant	25,759	25,759		25,759			
Administrative Technology Services	38,113	38,113		38,113			
Community Services	369,468	369,468		369,468			
Fixed Capital Outlay:							
Facilities Acquisition and Construction	616,309	32,587		32,587			
Other Capital Outlay	1,569,057	1,569,057	531,890	1,037,167			
Debt Service:							
Principal	3,501,331	117,511		117,511	3,383,820	2,543,820	840,000
Interest and Fiscal Charges	3,056,921				3,050,837	2,594,882	455,955
Total Expenditures	59,647,379	48,019,827	18,704,011	29,315,816	6,434,657	5,138,702	1,295,955
Excess (Deficiency) of Revenues Over Expenditures	(4,463,440)	(895,814)	(897,063)	1,249	(5,030,986)	(5,016,636)	(14,350)
OTHER FINANCING SOURCES (USES)							
Long-Term Debt Issues:							
Bonds Issued	1,295,000						
Premium on Sale of Bonds	46,756						
Transfers In	5,000,000				5,000,000	5,000,000	
Transfers Out	(640,407)						
Total Other Financing Sources (Uses)	5,701,349				5,000,000	5,000,000	
Net Change in Fund Balances	1,237,909	(895,814)	(897,063)	1,249	(30,986)	(16,636)	(14,350)
Fund Balances, July 1, 2007	17,318,717	6,297,249	6,292,109	5,140	4,742,564	4,496,796	245,768
Fund Balances, June 30, 2008	\$ 18,556,626	\$ 5,401,435	\$ 5,395,046	\$ 6,389	\$ 4,711,578	\$ 4,480,160	\$ 231,418

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
For the Fiscal Year Ended June 30, 2008

	<u>Capital Projects Funds</u>			
	<u>Total Nonmajor Capital Projects Funds</u>	<u>Capital Outlay & Debt Service Fund</u>	<u>Public Education Capital Outlay Fund</u>	<u>State Board of Education (SBE) Bond Fund</u>
REVENUES				
Federal Direct:				
Other Federal Direct	\$ _____	\$ _____	\$ _____	\$ _____
Total Federal Direct	_____	_____	_____	_____
Federal Through State:				
Food Service				
Other Federal Through State	_____	_____	_____	_____
Total Federal Through State	_____	_____	_____	_____
State:				
Food Service				
CO and DS Withheld for SBE/COBI Bond				
CO and DS Distribution	358,903	358,903		
Public Education Capital Outlay	6,231,986		6,231,986	
Other State Sources	_____	_____	_____	_____
Total State	6,590,889	358,903	6,231,986	_____
Local:				
Food Service				
Interest Income	57,365	30,597	10,507	16,261
Other Local Sources	8,001	2,468	5,533	_____
Total Local	65,366	33,065	16,040	16,261
Total Revenues	6,656,255	391,968	6,248,026	16,261

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
For the Fiscal Year Ended June 30, 2008

Capital Projects Funds

	<u>Total Nonmajor Capital Projects Funds</u>	<u>Capital Outlay & Debt Service Fund</u>	<u>Public Education Capital Outlay Fund</u>	<u>State Board of Education (SBE) Bond Fund</u>
EXPENDITURES				
Current Education:				
Instruction	\$	\$	\$	\$
Pupil Personnel Services				
Instructional Media Services				
Instruction and Curriculum Development Services				
Instructional Staff Training Services				
Instruction Related Technology				
General Administration				
School Administration				
Facility Services	4,603,089	288,980	4,314,109	
Food Services				
Central Services				
Pupil Transportation Services				
Operation of Plant				
Administrative Technology Services				
Community Services				
Fixed Capital Outlay:				
Facilities Acquisition and Construction	583,722		583,722	
Other Capital Outlay				
Debt Service:				
Principal				
Interest and Fiscal Charges	6,084			6,084
Total Expenditures	<u>5,192,895</u>	<u>288,980</u>	<u>4,897,831</u>	<u>6,084</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,463,360</u>	<u>102,988</u>	<u>1,350,195</u>	<u>10,177</u>
OTHER FINANCIAL SOURCES (USES)				
Long-Term Debt Issues:				
Bonds Issued	1,295,000			1,295,000
Premium on Sale of Bonds	46,756			46,756
Transfers In				
Transfers Out	(640,407)		(640,407)	
Total Other Financial Sources (Uses)	<u>701,349</u>		<u>(640,407)</u>	<u>1,341,756</u>
Net Change in Fund Balances	2,164,709	102,988	709,788	1,351,933
Fund Balances, July 1, 2007	<u>6,278,904</u>	<u>1,054,557</u>	<u>4,712,039</u>	<u>512,308</u>
Fund Balances, June 30, 2008	<u>\$ 8,443,613</u>	<u>\$ 1,157,545</u>	<u>\$ 5,421,827</u>	<u>\$ 1,864,241</u>

General Fund

The General Fund is the primary operating fund of the School Board. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The General Fund is reported as a major governmental fund.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2008 and June 30, 2007

	General Fund	
	Major Governmental Fund	
	Totals	
	2008	2007
ASSETS		
Cash	\$ 15,954,044	\$ 10,073,191
Investments	26,588,013	17,468,144
Accounts Receivable	526,548	1,149,932
Interest Receivable	18,452	23,219
Due from Reinsurer		14,936,204
Deposits Receivable	5,300	5,300
Due from Other Funds	4,583,025	6,078,336
Due from Other Agencies	398,732	5,546,125
Inventories	1,422,407	1,356,364
TOTAL ASSETS	\$ 49,496,521	\$ 56,636,815
LIABILITIES AND FUND BALANCES		
Liabilities:		
Salaries and Benefits Payable	\$ 178,610	\$ 229,460
Payroll Deductions and Withholdings Payable	3,744,372	3,207,373
Accounts Payable	1,788,211	1,580,559
Construction Contracts Payable		1,123,544
Construction Contracts Payable - Retainage	167,626	1,284,711
Due to Other Funds	672,576	2,720,470
Due to Other Agencies	3,193,518	6,599,764
Deposits Payable	17,435	49,422
Loan Payable	2,571,706	
Total Liabilities	12,334,054	16,795,303
Fund Balances:		
Reserved for:		
State Categorical Programs	4,293,074	5,202,838
Encumbrances	2,352,701	11,191,867
Inventories	1,422,407	1,356,364
Legal Restrictions	4,267,982	1,608,877
Unreserved:		
Reported in the General Fund	24,826,303	20,481,566
Total Fund Balances	37,162,467	39,841,512
TOTAL LIABILITIES AND FUND BALANCES	\$ 49,496,521	\$ 56,636,815

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For Fiscal Years Ended June 30, 2008 and June 30, 2007

	General Fund	
	Major Governmental Fund	
	Totals	
	2008	2007
REVENUES		
Federal Direct:		
Federal Impact, Current Operations	\$ 1,183,926	\$ 1,152,581
Reserve Officer Training Corps (ROTC)	409,098	417,065
Miscellaneous	479,909	774,897
Total Federal Direct	2,072,933	2,344,543
Federal Through State:		
Medicaid	1,330,938	1,630,119
Miscellaneous	722,936	1,072,281
Total Federal Through State	2,053,874	2,702,400
State:		
Florida Education Finance Program (FEFP)	119,465,949	123,195,784
Workforce Development	5,272,821	5,432,193
Workforce Education Performance Incentive	154,358	
Adults With Disabilities	270,706	292,671
CO&DS Withheld for Administrative Expense	24,366	
Discretionary Lottery Funds	1,880,022	
Categorical Programs	72,989,150	67,516,508
Other State Sources	2,092,241	3,125,363
Total State	202,149,613	199,562,519
Local:		
District School Taxes	85,413,366	81,045,039
Interest on Investments	1,670,605	2,787,991
Other Local Sources	5,953,442	3,954,616
Total Local	93,037,413	87,787,646
Total Revenues	299,313,833	292,397,108

(Continued)

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
For Fiscal Years Ended June 30, 2008 and June 30, 2007**

	General Fund Major Governmental Fund Totals	
	2008	2007
	<hr/>	<hr/>
EXPENDITURES		
Current Education:		
Instruction	\$ 190,794,369	\$ 178,240,603
Pupil Personnel Services	14,287,676	14,695,148
Instructional Media Services	5,389,025	5,799,590
Instruction and Curriculum Development Services	6,586,676	6,506,552
Instructional Staff Training Services	3,953,874	3,207,229
Instruction Related Technology	1,651,904	1,648,547
Board of Education	1,206,764	1,062,728
General Administration	675,487	693,146
School Administration	15,387,931	15,890,661
Facility Services	3,334,871	14,773,036
Fiscal Services	2,350,543	2,255,802
Food Services	90,623	439,567
Central Services	4,865,438	3,778,297
Pupil Transportation Services	16,104,709	15,415,350
Operation of Plant	28,255,764	27,235,956
Maintenance of Plant	11,547,704	12,291,477
Administrative Technology Services	3,109,120	3,090,685
Community Services	526,562	459,284
Fixed Capital Outlay:		
Facilities Acquisition and Construction	4,382,082	8,737,227
Other Capital Outlay	1,605,211	2,178,347
Debt Service:		
Principal	933,529	883,277
Interest and Fiscal Charges	151,911	195,242
	<hr/>	<hr/>
Total Expenditures	317,191,773	319,477,751
	<hr/>	<hr/>
Deficiency of Revenues Over Expenditures	(17,877,940)	(27,080,643)
	<hr/>	<hr/>
OTHER FINANCING SOURCES		
Transfers In	10,448,151	7,218,490
Insurance Loss Recoveries	4,750,744	
	<hr/>	<hr/>
Total Other Financing Sources	15,198,895	7,218,490
	<hr/>	<hr/>
Change in Fund Balances Before Extraordinary Item	(2,679,045)	(19,862,153)
	<hr/>	<hr/>
Extraordinary Item		20,179,497
	<hr/>	<hr/>
Net Change in Fund Balances	(2,679,045)	317,344
Fund Balances, July 1, 2007	39,841,512	39,524,168
	<hr/>	<hr/>
Fund Balances, June 30, 2008	\$ 37,162,467	\$ 39,841,512
	<hr/>	<hr/>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2008

	<i>General Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
REVENUES				
Federal Direct:				
Federal Impact, Current Operations	\$ 500,000	\$ 1,183,926	\$ 1,183,926	\$
Reserve Officers Training Corps (ROTC)	340,000	409,098	409,098	
Miscellaneous	750,000	479,909	479,909	
Total Federal Direct	<u>1,590,000</u>	<u>2,072,933</u>	<u>2,072,933</u>	
Federal Through State:				
Medicaid	1,008,440	1,330,938	1,330,938	
Miscellaneous Federal through State	630,235	750,880	722,936	(27,944)
Total Federal through State	<u>1,638,675</u>	<u>2,081,818</u>	<u>2,053,874</u>	<u>(27,944)</u>
State:				
Florida Education Finance Program (FEFP)	127,382,020	119,465,949	119,465,949	
Workforce Development	5,495,590	5,272,821	5,272,821	
Workforce Education Performance Incentive	158,430	154,358	154,358	
Adults With Disabilities	293,265	270,706	270,706	
CO and DS Withheld for Administrative Expense	26,891	24,366	24,366	
Discretionary Lottery Funds		1,880,022	1,880,022	
Categorical Programs	76,463,343	73,066,612	72,989,150	(77,462)
Other State Sources	2,333,162	2,119,214	2,092,241	(26,973)
Total State	<u>212,152,701</u>	<u>202,254,048</u>	<u>202,149,613</u>	<u>(104,435)</u>
Local:				
District School Taxes	86,652,061	85,413,366	85,413,366	
Interest on Investments	2,515,000	1,670,605	1,670,605	
Other Local Sources	2,980,500	5,975,174	5,953,442	(21,732)
Total Local	<u>92,147,561</u>	<u>93,059,145</u>	<u>93,037,413</u>	<u>(21,732)</u>
Total Revenues	<u>307,528,937</u>	<u>299,467,944</u>	<u>299,313,833</u>	<u>(154,111)</u>
EXPENDITURES				
Current Education:				
Instruction				
Salaries	125,897,902	130,891,423	128,752,491	2,138,932
Employee Benefits	37,372,908	39,186,044	38,018,441	1,167,603
Purchased Services	14,077,268	14,193,161	12,436,273	1,756,888
Energy Services	18,071	20,967	20,432	535
Materials and Supplies	11,099,625	10,152,642	7,649,618	2,503,024
Capital Outlay	303,671	2,292,421	534,892	1,757,529
Other Expenses	4,339,978	4,313,975	3,382,222	931,753
Total Instruction	<u>193,109,423</u>	<u>201,050,633</u>	<u>190,794,369</u>	<u>10,256,264</u>

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2008

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current Education: (Continued)				
Pupil Personnel Services				
Salaries	\$ 9,949,879	\$ 10,688,984	\$ 10,512,388	\$ 176,596
Employee Benefits	3,021,258	3,130,541	3,046,948	83,593
Purchased Services	892,213	899,791	640,688	259,103
Energy Services	3,800	3,800	5,028	(1,228)
Materials and Supplies	132,258	122,529	58,160	64,369
Capital Outlay	2,774	5,841	3,149	2,692
Other Expenses	31,606	41,720	21,315	20,405
Total Pupil Personnel Services	14,033,788	14,893,206	14,287,676	605,530
Instructional Media Services				
Salaries	3,527,001	3,855,479	3,744,937	110,542
Employee Benefits	1,121,592	1,173,967	1,126,668	47,299
Purchased Services	99,718	89,001	84,462	4,539
Materials and Supplies	99,125	95,213	67,995	27,218
Capital Outlay	414,373	414,977	334,673	80,304
Other Expenses	41,275	41,329	30,290	11,039
Total Instructional Media Services	5,303,084	5,669,966	5,389,025	280,941
Instruction and Curriculum Development Services				
Salaries	4,820,198	4,973,850	4,906,665	67,185
Employee Benefits	1,355,953	1,382,474	1,299,808	82,666
Purchased Services	299,505	317,903	285,991	31,912
Materials and Supplies	108,342	127,440	75,829	51,611
Capital Outlay	500	6,193	6,222	(29)
Other Expenses	34,434	33,860	12,161	21,699
Total Instruction and Curriculum Development Services	6,618,932	6,841,720	6,586,676	255,044
Instructional Staff Training Services				
Salaries	2,618,351	2,965,335	2,521,995	443,340
Employee Benefits	711,042	738,500	652,803	85,697
Purchased Services	559,597	707,224	516,543	190,681
Materials and Supplies	81,128	150,796	114,808	35,988
Capital Outlay	8,753	50,623	45,542	5,081
Other Expenses	87,931	138,022	102,183	35,839
Total Instructional Staff Training Services	4,066,802	4,750,500	3,953,874	796,626
Instruction Related Technology				
Salaries	1,128,936	1,235,737	1,255,852	(20,115)
Employee Benefits	364,298	385,881	355,633	30,248
Purchased Services	48,200	48,200	33,353	14,847
Materials and Supplies	29,385	19,703	3,789	15,914
Other Expenses	2,220	2,220	3,277	(1,057)
Total Instruction Related Technology	1,573,039	1,691,741	1,651,904	39,837

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2008

	<i>General Fund</i>			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current Education: (Continued)				
Board of Education				
Salaries	\$ 600,062	\$ 632,327	\$ 624,103	\$ 8,224
Employee Benefits	341,683	345,431	381,828	(36,397)
Purchased Services	266,431	262,335	147,677	114,658
Energy Services	713	1,713	1,932	(219)
Materials and Supplies	10,263	12,769	3,554	9,215
Capital Outlay		740	740	
Other Expenses	43,080	43,530	46,930	(3,400)
Total Board of Education	1,262,232	1,298,845	1,206,764	92,081
General Administration				
Salaries	473,569	449,335	447,043	2,292
Employee Benefits	120,285	123,237	112,597	10,640
Purchased Services	29,991	27,152	27,680	(528)
Materials and Supplies	15,353	16,126	4,745	11,381
Capital Outlay		314	313	1
Other Expenses	71,960	71,960	83,109	(11,149)
Total General Administration	711,158	688,124	675,487	12,637
School Administration				
Salaries	11,374,677	11,988,343	11,910,058	78,285
Employee Benefits	3,316,284	3,412,691	3,364,555	48,136
Purchased Services	5,409	9,120	9,669	(549)
Materials and Supplies	122,498	105,913	73,883	32,030
Capital Outlay	18,257	20,823	18,660	2,163
Other Expenses	38,763	35,206	11,106	24,100
Total School Administration	14,875,888	15,572,096	15,387,931	184,165
Facility Services				
Salaries	191,878	173,754	162,866	10,888
Employee Benefits	43,205	44,496	39,680	4,816
Purchased Services	312,559	291,642	236,452	55,190
Energy Services	24,070	18,070	26,654	(8,584)
Materials and Supplies	16,593	22,600	10,550	12,050
Capital Outlay	1,245,314	2,912,504	2,857,525	54,979
Other Expenses	1,450	1,448	1,144	304
Total Facility Services	1,835,069	3,464,514	3,334,871	129,643
Fiscal Services				
Salaries	1,566,912	1,736,930	1,706,401	30,529
Employee Benefits	440,343	458,111	438,004	20,107
Purchased Services	195,677	195,177	135,805	59,372
Materials and Supplies	53,290	55,578	31,975	23,603
Capital Outlay	1,656	1,258	616	642
Other Expenses	68,263	73,818	37,742	36,076
Total Fiscal Services	2,326,141	2,520,872	2,350,543	170,329

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2008

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current Education: (Continued)				
Food Services				
Salaries	\$ 151,590	\$ 114,397	\$ 83,489	\$ 30,908
Employee Benefits	8,325	12,339	5,652	6,687
Other Expenses		1,482	1,482	
Total Food Services	159,915	128,218	90,623	37,595
Central Services				
Salaries	2,183,179	2,322,906	2,228,960	93,946
Employee Benefits	1,720,232	1,724,164	1,579,910	144,254
Purchased Services	1,064,373	1,102,991	713,202	389,789
Energy Services	44,196	49,196	46,903	2,293
Materials and Supplies	389,510	370,944	175,577	195,367
Capital Outlay	4,524	8,528	7,300	1,228
Other Expenses	181,240	168,704	113,586	55,118
Total Central Services	5,587,254	5,747,433	4,865,438	881,995
Pupil Transportation Services				
Salaries	7,790,260	8,323,324	8,433,621	(110,297)
Employee Benefits	4,111,733	4,174,307	3,889,958	284,349
Purchased Services	523,067	511,721	267,408	244,313
Energy Services	2,523,699	3,007,340	2,584,952	422,388
Materials and Supplies	832,424	828,477	801,804	26,673
Capital Outlay	1,397	13,792	9,310	4,482
Other Expenses	332,660	318,829	117,656	201,173
Total Pupil Transportation Services	16,115,240	17,177,790	16,104,709	1,073,081
Operation of Plant				
Salaries	6,023,124	5,799,488	5,675,454	124,034
Employee Benefits	2,980,272	2,771,412	2,800,267	(28,855)
Purchased Services	8,533,060	9,608,788	8,419,498	1,189,290
Energy Services	10,273,418	10,272,621	10,252,793	19,828
Materials and Supplies	623,144	617,659	584,663	32,996
Capital Outlay	60,619	45,166	34,956	10,210
Other Expenses	615,222	464,241	488,133	(23,892)
Total Operation of Plant	29,108,859	29,579,375	28,255,764	1,323,611
Maintenance of Plant				
Salaries	4,683,057	4,841,556	4,927,879	(86,323)
Employee Benefits	1,965,512	2,005,888	2,016,546	(10,658)
Purchased Services	4,115,538	6,468,109	2,801,706	3,666,403
Energy Services	227,586	249,061	308,774	(59,713)
Materials and Supplies	1,355,095	1,428,865	1,381,476	47,389
Capital Outlay	48,015	31,627	30,555	1,072
Other Expenses	70,363	69,841	80,768	(10,927)
Total Maintenance of Plant	12,465,166	15,094,947	11,547,704	3,547,243

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2008

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current Education: (Continued)				
Administrative Technology Services				
Salaries	\$ 2,406,564	\$ 2,539,581	\$ 2,386,685	\$ 152,896
Employee Benefits	675,678	689,894	640,062	49,832
Purchased Services	400	11,254	1,786	9,468
Energy Services	9,541	9,541	8,082	1,459
Materials and Supplies	92,843	114,271	57,979	56,292
Capital Outlay	22,723	24,250	14,185	10,065
Other Expenses			341	(341)
Total Administrative Technology Services	3,207,749	3,388,791	3,109,120	279,671
Community Services				
Salaries	60,097	126,932	193,155	(66,223)
Employee Benefits	18,302	64,873	68,054	(3,181)
Purchased Services	5,602	18,916	14,226	4,690
Materials and Supplies	70,721	77,795	31,204	46,591
Capital Outlay	5,000	16,093	11,337	4,756
Other Expenses	503,057	406,475	208,586	197,889
Total Community Services	662,779	711,084	526,562	184,522
Fixed Capital Outlay:				
Facilities Acquisition and Construction	5,022,471	5,356,412	4,382,082	974,330
Other Capital Outlay	1,592,381	2,717,433	1,605,211	1,112,222
Total Fixed Capital Outlay	6,614,852	8,073,845	5,987,293	2,086,552
Debt Service:				
Principal	938,265	938,119	933,529	4,590
Interest and Fiscal Charges	150,583	151,911	151,911	
Total Debt Service	1,088,848	1,090,030	1,085,440	4,590
Total Expenditures	320,726,218	339,433,730	317,191,773	22,241,957
Deficiency of Revenues Over Expenditures	(13,197,281)	(39,965,786)	(17,877,940)	22,087,846
Other Financing Sources				
Transfers In	7,298,500	10,448,151	10,448,151	
Insurance Loss Recoveries		4,750,744	4,750,744	
Total Other Financing Sources	7,298,500	15,198,895	15,198,895	
Net Change in Fund Balances	(5,898,781)	(24,766,891)	(2,679,045)	22,087,846
Fund Balances, July 1, 2007	39,841,512	39,841,512	39,841,512	
Fund Balances, June 30, 2008	\$ 33,942,731	\$ 15,074,621	\$ 37,162,467	\$ 22,087,846

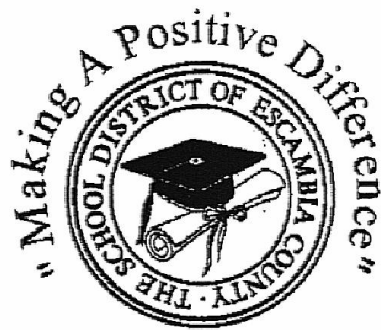
Special Revenue Funds

The Special Revenue Funds account for certain revenues derived from the State of Florida, the Federal Government and other local and private sources that are required to finance designated activities. Activities included within the funds are as follows:

Nonmajor Special Revenue Funds

Food Service Fund – To account for and report on activities of the food service program in serving breakfast and lunch at the schools.

Other Federal Programs Fund – To account for and report on activities of various programs of different funding sources according to the specifications and requirements of each funding source.



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DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2008
(With comparative totals for June 30, 2007)

	Special Revenue Funds			
	Nonmajor Governmental Funds		Totals	
	Food Service Fund	Other Federal Programs Fund	2008	2007
ASSETS				
Cash	\$ 3,303,007	\$ 1,384	\$ 3,304,391	\$ 8,092
Investments				9,038,207
Accounts Receivable	2,051	70,396	72,447	113,722
Interest Receivable	5,798		5,798	
Due From Other Funds	12,665		12,665	5,737
Due From Other Agencies	1,267,413	915,229	2,182,642	12,895
Inventories	1,078,435		1,078,435	1,070,863
TOTAL ASSETS	\$ 5,669,369	\$ 987,009	\$ 6,656,378	\$ 10,249,516
LIABILITIES AND FUND BALANCES				
Liabilities:				
Salaries and Benefits Payable	\$ 3,551	\$ 19,062	\$ 22,613	\$ 40,290
Accounts Payable	217,378	441,278	658,656	706,636
Construction Contracts Payable - Retainage	31,210		31,210	12,998
Due to Other Funds		323,418	323,418	898,954
Due to Other Agencies	22,184	196,862	219,046	2,293,389
Total Liabilities	274,323	980,620	1,254,943	3,952,267
Fund Balances:				
Reserved for:				
Encumbrances	433,193		433,193	800,198
Inventories	1,078,435		1,078,435	1,070,863
Unreserved, Reported in:				
Special Revenue Funds	3,883,418	6,389	3,889,807	4,426,188
Total Fund Balances	5,395,046	6,389	5,401,435	6,297,249
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,669,369	\$ 987,009	\$ 6,656,378	\$ 10,249,516

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2008
(With comparative totals for the fiscal year ended June 30, 2007)

	Special Revenue Funds			
	Nonmajor Governmental Funds		Totals	
	Food Service Fund	Other Federal Programs Fund	2008	2007
REVENUES				
Federal Direct:				
Other Federal Direct	\$	292,410	\$ 292,410	\$ 187,403
Total Federal Direct		292,410	292,410	187,403
Federal Through State:				
Food Service	10,611,256		10,611,256	10,844,246
Other Federal Through State	799,575	29,024,655	29,824,230	33,173,627
Total Federal Through State	11,410,831	29,024,655	40,435,486	44,017,873
State:				
Food Service	367,566		367,566	371,943
Other State Sources	4,670		4,670	7,616
Total State	372,236		372,236	379,559
Local:				
Food Service	5,901,163		5,901,163	6,104,082
Interest Income	118,904		118,904	348,506
Other Local Sources	3,814		3,814	
Total Local	6,023,881		6,023,881	6,452,588
Total Revenues	\$ 17,806,948	\$ 29,317,065	\$ 47,124,013	\$ 51,037,423

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
ALL SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
For the Fiscal Year Ended June 30, 2008
(With comparative totals for the fiscal year ended June 30, 2007)

	Special Revenue Funds			
	Nonmajor Governmental Funds		Totals	
	Food Service Fund	Other Federal Programs Fund	2008	2007
EXPENDITURES				
Current Education:				
Instruction	\$	\$ 13,483,837	\$ 13,483,837	\$ 15,763,376
Pupil Personnel Services		2,765,465	2,765,465	3,048,883
Instructional Media Services		72,634	72,634	67,303
Instruction and Curriculum Development Services		5,107,141	5,107,141	5,012,372
Instructional Staff Training Services		3,775,151	3,775,151	4,200,559
Instruction Related Technology		1,162,795	1,162,795	1,128,769
General Administration		828,902	828,902	667,259
School Administration		2,280	2,280	9,729
Facility Services				6,467
Food Services	18,172,121		18,172,121	18,247,786
Central Services		104,899	104,899	234,619
Pupil Transportation Services		392,107	392,107	452,972
Operation of Plant		25,759	25,759	46,315
Maintenance of Plant				1,558
Administrative Technology Services		38,113	38,113	52,885
Community Services		369,468	369,468	250,248
Fixed Capital Outlay:				
Facilities Acquisition and Construction		32,587	32,587	15,314
Other Capital Outlay	531,890	1,037,167	1,569,057	1,590,457
Debt Service:				
Principal		117,511	117,511	110,975
Interest and Fiscal Charges				13,458
Total Expenditures	18,704,011	29,315,816	48,019,827	50,921,304
Excess (Deficiency) of Revenues Over Expenditures	(897,063)	1,249	(895,814)	116,119
Net Change in Fund Balances	(897,063)	1,249	(895,814)	116,119
Fund Balances, July 1, 2007	6,292,109	5,140	6,297,249	6,181,130
Fund Balances, June 30, 2008	\$ 5,395,046	\$ 6,389	\$ 5,401,435	\$ 6,297,249

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOOD SERVICE - SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2008

	<i>Food Service Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
REVENUES				
Federal Through State:				
Food Service and Other Federal Through State Sources	\$ 11,480,000	\$ 11,480,000	\$ 11,410,831	\$ (69,169)
Total Federal Through State	11,480,000	11,480,000	11,410,831	(69,169)
State:				
Food Service	378,500	373,830	367,566	(6,264)
Other State Sources		4,670	4,670	-
Total State	378,500	378,500	372,236	(6,264)
Local:				
Food Service	6,258,000	6,258,000	5,901,163	(356,837)
Interest Income	200,000	200,000	118,904	(81,096)
Other Local Sources	5,000	5,000	3,814	(1,186)
Total Local	6,463,000	6,463,000	6,023,881	(439,119)
Total Revenues	18,321,500	18,321,500	17,806,948	(514,552)
EXPENDITURES				
Current Education:				
Food Services:				
Salaries	4,801,000	4,826,000	4,593,503	232,497
Employees Benefits	2,994,951	2,873,951	2,452,205	421,746
Purchased Services	1,120,352	1,021,652	662,948	358,704
Energy Services	240,500	252,700	237,012	15,688
Materials and Supplies	8,570,985	8,594,985	8,379,362	215,623
Capital Outlay	1,024,560	1,167,560	679,823	487,737
Other Expenses	1,135,000	1,237,000	1,167,268	69,732
Total Food Services	19,887,348	19,973,848	18,172,121	1,801,727
Fixed Capital Outlay:				
Other Capital Outlay	655,702	569,202	531,890	37,312
Total Fixed Capital Outlay	655,702	569,202	531,890	37,312
Total Expenditures	20,543,050	20,543,050	18,704,011	1,839,039
Deficiency of Revenues Over Expenditures	(2,221,550)	(2,221,550)	(897,063)	1,324,487
Net Change in Fund Balances	(2,221,550)	(2,221,550)	(897,063)	1,324,487
Fund Balances, July 1, 2007	6,292,109	6,292,109	6,292,109	
Fund Balances, June 30, 2008	\$ 4,070,559	\$ 4,070,559	\$ 5,395,046	\$ 1,324,487

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
OTHER FEDERAL PROGRAMS - SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2008

Other Federal Programs Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal Direct:				
Other Federal Direct	\$ 290,769	\$ 351,084	\$ 292,410	\$ (58,674)
Total Federal Direct	290,769	351,084	292,410	(58,674)
Federal Through State:				
Vocational Education Acts	684,066	744,951	736,711	(8,240)
Workforce Investment Act	325,519	280,758	273,505	(7,253)
Individuals with Disabilities Education Act	11,415,280	11,416,241	10,171,028	(1,245,213)
Elementary and Secondary Education Act, Title I	14,616,424	16,139,804	11,980,636	(4,159,168)
Adult General Education	164,677	172,165	171,375	(790)
Elementary and Secondary Education Act, Title V	113,433	121,411	105,866	(15,545)
Other Federal Through State Sources	6,099,084	6,414,327	5,585,534	(828,793)
Total Federal Through State	33,418,483	35,289,657	29,024,655	(6,265,002)
Total Revenues	33,709,252	35,640,741	29,317,065	(6,323,676)
EXPENDITURES				
Current Education:				
Instruction:				
Salaries	6,272,086	5,791,141	5,714,288	76,853
Employees Benefits	2,852,382	2,511,988	2,268,165	243,823
Purchased Services	2,864,302	3,664,615	3,266,620	397,995
Energy Services	2,500			
Materials and Supplies	3,517,704	2,955,126	1,318,247	1,636,879
Capital Outlay	374,956	783,582	534,497	249,085
Other Expenses	360,308	427,458	382,020	45,438
Total Instruction	16,244,238	16,133,910	13,483,837	2,650,073
Pupil Personnel Services:				
Salaries	1,335,724	1,157,045	1,078,388	78,657
Employees Benefits	458,322	401,444	328,967	72,477
Purchased Services	1,414,334	1,421,794	1,149,819	271,975
Materials and Supplies	82,574	118,107	86,715	31,392
Capital Outlay	2,000	12,303	4,353	7,950
Other Expenses	148,346	127,070	117,223	9,847
Total Pupil Personnel Services	3,441,300	3,237,763	2,765,465	472,298
Instructional Media Services:				
Salaries	34,596	31,373	31,373	
Employees Benefits	15,614	12,595	12,595	
Materials and Supplies	4,500	1,572	1,499	73
Capital Outlay	16,745	28,404	27,167	1,237
Total Instructional Media Services	71,455	73,944	72,634	1,310

(Continued)

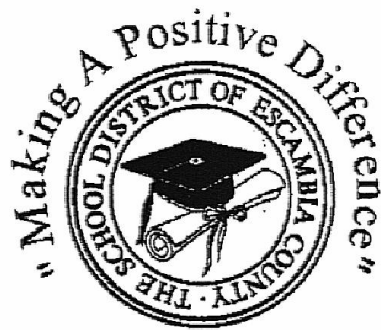
DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
OTHER FEDERAL PROGRAMS - SPECIAL REVENUE FUND (Continued)
For the Fiscal Year Ended June 30, 2008

	<u>Other Federal Programs Fund</u>			<i>Variance with Final Budget - Positive (Negative)</i>
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current Education (continued)				
Instruction and Curriculum Development Services:				
Salaries	\$ 3,977,244	\$ 3,395,592	\$ 3,180,472	\$ 215,120
Employees Benefits	1,324,016	1,095,772	932,972	162,800
Purchased Services	903,647	957,292	863,766	93,526
Materials and Supplies	54,502	129,644	90,669	38,975
Capital Outlay	8,925	74,835	28,092	46,743
Other Expenses	17,000	27,003	11,170	15,833
Total Instruction and Curriculum Development Services	<u>6,285,334</u>	<u>5,680,138</u>	<u>5,107,141</u>	<u>572,997</u>
Instructional Staff Training Services:				
Salaries	1,484,384	2,180,599	1,922,145	258,454
Employees Benefits	327,850	527,171	467,748	59,423
Purchased Services	974,456	1,359,304	704,152	655,152
Materials and Supplies	288,152	479,963	154,454	325,509
Capital Outlay	186,617	278,997	197,559	81,438
Other Expenses	272,777	443,931	329,093	114,838
Total Instructional Staff Training Services	<u>3,534,236</u>	<u>5,269,965</u>	<u>3,775,151</u>	<u>1,494,814</u>
Instruction Related Technology:				
Salaries	801,063	871,296	860,533	10,763
Employees Benefits	305,623	273,916	253,097	20,819
Purchased Services	1,000	2,538	452	2,086
Other Expenses	74,433	102,464	48,713	53,751
Total Instruction Related Technology	<u>1,182,119</u>	<u>1,250,214</u>	<u>1,162,795</u>	<u>87,419</u>
General Administration:				
Other Expenses	556,953	901,632	828,902	72,730
Total General Administration	<u>556,953</u>	<u>901,632</u>	<u>828,902</u>	<u>72,730</u>
School Administration:				
Employees Benefits	905	905	32	873
Other Expenses	8,822	8,822	2,248	6,574
Total School Administration	<u>9,727</u>	<u>9,727</u>	<u>2,280</u>	<u>7,447</u>
Facility Services:				
Purchased Services	36	36		36
Total Facility Services	<u>36</u>	<u>36</u>		<u>36</u>
Central Services:				
Salaries	12,395	57,315	47,616	9,699
Employees Benefits	3,164	15,980	15,145	835
Purchased Services	25,305	66,457	40,258	26,199
Materials and Supplies	3,000			
Other Expenses		10,635	1,880	8,755
Total Central Services	<u>43,864</u>	<u>150,387</u>	<u>104,899</u>	<u>45,488</u>

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
OTHER FEDERAL PROGRAMS - SPECIAL REVENUE FUND (Continued)
For the Fiscal Year Ended June 30, 2008

	Other Federal Programs Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
EXPENDITURES				
Current Education (continued)				
Pupil Transportation Services:				
Salaries	\$ 141,389	\$ 141,389	\$ 114,697	\$ 26,692
Employees Benefits	33,048	64,955	56,994	7,961
Purchased Services	20,274	12,163	12,163	
Energy Services	72,217	72,663	1,735	70,928
Materials and Supplies	18,771	18,808	37	18,771
Other Expenses	368,603	375,682	206,481	169,201
Total Pupil Transportation Services	654,302	685,660	392,107	293,553
Operation of Plant:				
Purchased Services	12,939	35,590	25,499	10,091
Capital Outlay		260	260	
Total Operation of Plant	12,939	35,850	25,759	10,091
Maintenance of Plant:				
Purchased Services	3,600	2,000		2,000
Total Maintenance of Plant	3,600	2,000		2,000
Administrative Technology Services:				
Salaries	50,467	50,467	31,275	19,192
Employees Benefits	11,541	11,541	6,838	4,703
Purchased Services	100	100		100
Total Administrative Technology Services	62,108	62,108	38,113	23,995
Community Services:				
Employees Benefits	4,119	3,033	2,946	87
Purchased Services	2,661	4,122	3,740	382
Materials and Supplies	946	600	600	-
Other Expenses	381,296	388,222	362,182	26,040
Total Community Services	389,022	395,977	369,468	26,509
Fixed Capital Outlay:				
Facilities Acquisition and Construction	15,230	102,130	32,587	69,543
Other Capital Outlay	965,984	1,536,928	1,037,167	499,761
Total Fixed Capital Outlay	981,214	1,639,058	1,069,754	569,304
Debt Service:				
Principal	241,945	117,512	117,511	1
Total Debt Service	241,945	117,512	117,511	1
Total Expenditures	33,714,392	35,645,881	29,315,816	6,330,065
Excess (Deficiency) of Revenues Over Expenditures	(5,140)	(5,140)	1,249	6,389
Net Change in Fund Balances	(5,140)	(5,140)	1,249	6,389
Fund Balances, July 1, 2007	5,140	5,140	5,140	-
Fund Balances, June 30, 2008	\$	\$	\$ 6,389	\$ 6,389



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Debt Service Funds

The Debt Service Funds are used to account for the payment of interest and principal of the current portion on long-term debt.

Nonmajor Debt Service Funds

Other Debt Service Fund – To account for and report on Certificates of Participation issues, characterized as lease-purchase agreements and Capital Leases.

State Board of Education (SBE) Bond Fund – To account for and report on payment of principal, interest, and related costs on the state school bonds issued by the State Board of Education on behalf of the District. These bonds are payable from the District's portion of the state-assessed motor vehicle license tax.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
ALL DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 2008
(With comparative totals for June 30, 2007)

	Debt Service Funds			
	Governmental Funds			
	Nonmajor		Totals	
Other Debt Service Fund	State Board of Education (SBE) Bond Fund	2008	2007	
ASSETS				
Cash	\$ 4,623,421	\$	\$ 4,623,421	\$
Investments	1,179,177	231,418	1,410,595	5,972,327
Interest Receivable	1,327		1,327	434
TOTAL ASSETS	\$ 5,803,925	\$ 231,418	\$ 6,035,343	\$ 5,972,761
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 500	\$	\$ 500	\$
Interest Payable	1,323,265		1,323,265	1,230,197
Total Liabilities	1,323,765		1,323,765	1,230,197
Fund Balances:				
Reserved for:				
Debt Service		231,418	231,418	245,768
Unreserved, Reported in:				
Debt Service Funds	4,480,160		4,480,160	4,496,796
Total Fund Balances	4,480,160	231,418	4,711,578	4,742,564
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,803,925	\$ 231,418	\$ 6,035,343	\$ 5,972,761

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
ALL DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2008
(With comparative totals for the fiscal year ended June 30, 2007)

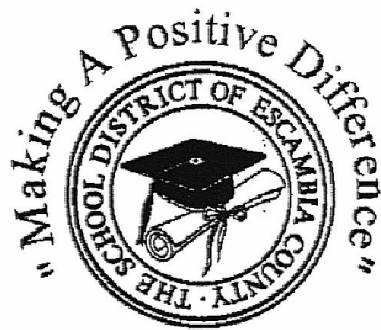
	Debt Service Funds				
	Governmental Funds				
	Nonmajor		Totals		
Other Debt Service Fund	State Board of Education (SBE) Bond Fund	2008	2007		
REVENUES					
State:					
CO and DS Withheld for SBE/COBI Bond	\$	\$ 1,270,660	\$ 1,270,660	\$ 1,393,058	
Other State Sources		10,945	10,945		
Total State		1,281,605	1,281,605	1,393,058	
Local:					
Interest Income	122,066		122,066	164,684	
Total Local	122,066		122,066	164,684	
Total Revenues	122,066	1,281,605	1,403,671	1,557,742	
EXPENDITURES					
Debt Service:					
Principal	2,543,820	840,000	3,383,820	3,461,133	
Interest and Fiscal Charges	2,594,882	455,955	3,050,837	3,269,333	
Total Expenditures	5,138,702	1,295,955	6,434,657	6,730,466	
Deficiency of Revenues Over Expenditures	(5,016,636)	(14,350)	(5,030,986)	(5,172,724)	
OTHER FINANCING SOURCES					
Transfer In	5,000,000		5,000,000	7,000,019	
Total Other Financing Sources	5,000,000		5,000,000	7,000,019	
Net Change in Fund Balances	(16,636)	(14,350)	(30,986)	1,827,295	
Fund Balances, July 1, 2007	4,496,796	245,768	4,742,564	2,915,269	
Fund Balances, June 30, 2008	\$ 4,480,160	\$ 231,418	\$ 4,711,578	\$ 4,742,564	

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
OTHER DEBT SERVICE - DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2008

	<i>Other Debt Service Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
REVENUES				
Local:				
Interest Income	\$	\$ 115,344	\$ 122,066	\$ 6,722
Total Local		115,344	122,066	6,722
Total Revenues		115,344	122,066	6,722
EXPENDITURES				
Debt Service:				
Principal	2,543,820	2,543,820	2,543,820	
Interest and Fiscal Charges	2,456,180	2,594,882	2,594,882	
Total Expenditures	5,000,000	5,138,702	5,138,702	
Deficiency of Revenues Over Expenditures	(5,000,000)	(5,023,358)	(5,016,636)	6,722
OTHER FINANCING SOURCES				
Transfer In	5,000,000	5,000,000	5,000,000	
Total Other Financing Sources	5,000,000	5,000,000	5,000,000	
Net Change in Fund Balances		(23,358)	(16,636)	6,722
Fund Balances, July 1, 2007	4,496,796	4,496,796	4,496,796	
Fund Balances, June 30, 2008	\$ 4,496,796	\$ 4,473,438	\$ 4,480,160	\$ 6,722

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
STATE BOARD OF EDUCATION (SBE) BOND - DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2008

	State Board of Education (SBE) Bond Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
State:				
CO and DS Withheld for SBE/COBI Bond	\$ 1,312,039	\$ 1,270,660	\$ 1,270,660	\$
Other State Sources		10,945	10,945	
Total State	1,312,039	1,281,605	1,281,605	
Total Revenues	1,312,039	1,281,605	1,281,605	
EXPENDITURES				
Debt Service:				
Principal	850,000	840,000	840,000	
Interest and Fiscal Charges	462,039	455,955	455,955	
Total Expenditures	1,312,039	1,295,955	1,295,955	
Deficiency of Revenues Over Expenditures		(14,350)	(14,350)	
Net Change in Fund Balances		(14,350)	(14,350)	
Fund Balances, July 1, 2007	245,768	245,768	245,768	
Fund Balances, June 30, 2008	\$ 245,768	\$ 231,418	\$ 231,418	\$



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Capital Projects Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects. Specific funding sources included herein are:

Major Capital Projects Funds

Capital Projects - Other Fund – To account for and report on funds received from various sources designated for construction and maintenance of schools.

Local Capital Improvement Fund – To account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, and debt service payments on revenue anticipation notes and certificates of participation.

Nonmajor Capital Projects Funds

Capital Outlay and Debt Service Fund – To account for and report on the excess dollars received through the State's Capital Outlay/Debt Service (CO/DS) program, used for construction and maintenance of schools.

Public Education Capital Outlay Fund – To account for and report on funds received from the State for the construction and maintenance of schools.

State Board of Education (SBE) Bond Fund – To account for and report on proceeds received from the bonds issued by the State Board of Education on behalf of the District.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
ALL CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2008
(With comparative totals for June 30, 2007)

	Capital Projects Funds				
	Governmental Funds				
	Major		Nonmajor		
Capital Projects - Other Fund	Local Capital Improvement Fund	Capital Outlay and Debt Service Fund	Public Education Capital Outlay Fund	State Board of Education (SBE) Bond Fund	
ASSETS					
Cash	\$ 62,350,174	\$ 5,371,719	\$ 1,156,229	\$ 102,719	\$ 527,795
Investments	18,558,885	15,044,163			
Accounts Receivable				8,280	
Interest Receivable	16,443	14,961	1,316	509	774
Due from Other Agencies	7,967,734			6,025,255	1,335,672
TOTAL ASSETS	\$ 88,893,236	\$ 20,430,843	\$ 1,157,545	\$ 6,136,763	\$ 1,864,241
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 43,127	\$ 288,823	\$	\$ 65,676	\$
Construction Contracts Payable	904,938	50,568		181,011	
Construction Contracts Payable - Retainage	905,323			97,601	
Due to Other Funds	11,509	3,029,712		370,648	
Total Liabilities	1,864,897	3,369,103		714,936	
Fund Balances:					
Reserved for:					
Encumbrances	21,028,822	5,084,757	112,602	1,733,937	
Unreserved, Reported in:					
Capital Projects Funds	65,999,517	11,976,983	1,044,943	3,687,890	1,864,241
Total Fund Balances	87,028,339	17,061,740	1,157,545	5,421,827	1,864,241
TOTAL LIABILITIES AND FUND BALANCES	\$ 88,893,236	\$ 20,430,843	\$ 1,157,545	\$ 6,136,763	\$ 1,864,241

Capital Projects Funds	
Governmental Funds	
Totals	
2008	2007
\$ 69,508,636	\$ 88,994
33,603,048	96,084,620
8,280	
34,003	
<u>15,328,661</u>	<u>10,748,235</u>
<u>\$ 118,482,628</u>	<u>\$ 106,921,849</u>
\$ 397,626	\$ 122,417
1,136,517	2,685,576
1,002,924	833,455
<u>3,411,869</u>	<u>4,400,013</u>
<u>5,948,936</u>	<u>8,041,461</u>
27,960,118	12,503,050
<u>84,573,574</u>	<u>86,377,338</u>
<u>112,533,692</u>	<u>98,880,388</u>
<u>\$ 118,482,628</u>	<u>\$ 106,921,849</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
ALL CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2008
(With comparative totals for the fiscal year ended June 30, 2007)

	Capital Projects Funds				
	Governmental Funds				
	Major		Nonmajor		
Capital Projects - Other Fund	Local Capital Improvement Fund	Capital Outlay & Debt Service Fund	Public Education Capital Outlay Fund	State Board of Education (SBE) Bond Fund	
REVENUES					
State:					
CO and DS Distribution	\$	\$	\$ 358,903	\$ 6,231,986	\$
Public Education Capital Outlay					
Other State Sources	4,657,351				
Total State	4,657,351		358,903	6,231,986	
Local:					
District School Taxes		29,869,892			
Sales Tax	20,655,828				
Interest Income	2,730,508	533,126	30,597	10,507	16,261
Other Local Sources	10,982		2,468	5,533	
Total Local	23,397,318	30,403,018	33,065	16,040	16,261
Total Revenues	28,054,669	30,403,018	391,968	6,248,026	16,261
EXPENDITURES					
Current Education:					
Facility Services	11,570,807	4,210,726	288,980	4,314,109	
Fixed Capital Outlay:					
Facilities Acquisition and Construction	13,021,629	3,365,140		583,722	
Debt Service:					
Interest and Fiscal Charges					6,084
Total Expenditures	24,592,436	7,575,866	288,980	4,897,831	6,084
Excess of Revenues Over Expenditures	3,462,233	22,827,152	102,988	1,350,195	10,177
OTHER FINANCING SOURCES (USES)					
Long-Term Debt Issues:					
Bonds Issued					1,295,000
Premium on Sale of Bonds					46,756
Proceeds from Sale of Capital Assets	2,199				
Transfers Out	(596,216)	(14,206,773)		(640,407)	
Total Other Financing Sources (Uses)	(594,017)	(14,206,773)		(640,407)	1,341,756
Net Change in Fund Balances	2,868,216	8,620,379	102,988	709,788	1,351,933
Fund Balances, July 1, 2007	84,160,123	8,441,361	1,054,557	4,712,039	512,308
Fund Balances, June 30, 2008	\$ 87,028,339	\$ 17,061,740	\$ 1,157,545	\$ 5,421,827	\$ 1,864,241

Capital Projects Funds	
Governmental Funds	
Totals	
2008	2007
\$ 358,903	\$ 231,262
6,231,986	5,493,269
4,657,351	6,995,090
<u>11,248,240</u>	<u>12,719,621</u>
29,869,892	27,507,116
20,655,828	21,969,232
3,320,999	4,672,099
18,983	128,109
<u>53,865,702</u>	<u>54,276,556</u>
<u>65,113,942</u>	<u>66,996,177</u>
20,384,622	17,651,543
16,970,491	15,840,963
6,084	861
<u>37,361,197</u>	<u>33,493,367</u>
<u>27,752,745</u>	<u>33,502,810</u>
1,295,000	
46,756	
2,199	2,056
(15,443,396)	(14,218,508)
<u>(14,099,441)</u>	<u>(14,216,452)</u>
13,653,304	19,286,358
98,880,388	79,594,030
<u>\$ 112,533,692</u>	<u>\$ 98,880,388</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - LOCAL CAPITAL IMPROVEMENT
For the Fiscal Year Ended June 30, 2008

	<i>Local Capital Improvement Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
REVENUES				
Local:				
District School Taxes	\$ 30,297,924	\$ 29,869,892	\$ 29,869,892	\$
Interest Income		533,126	533,126	
Total Local	30,297,924	30,403,018	30,403,018	
Total Revenues	30,297,924	30,403,018	30,403,018	
EXPENDITURES				
Current - Education:				
Facility Services:				
Furniture, Fixtures, and Equipment	1,024,645	2,496,102	2,017,007	479,095
Improvements Other Than Buildings	348,774	382,196	59,422	322,774
Remodeling and Renovations	4,401,821	4,271,669	2,134,297	2,137,372
Total Facility Services	5,775,240	7,149,967	4,210,726	2,939,241
Fixed Capital Outlay:				
Facilities Acquisition and Construction:				
Buildings and Fixed Equipment	1,804,155	1,558,166	366,947	1,191,219
Furniture, Fixtures, and Equipment	4,699,634	5,128,373	2,720,270	2,408,103
Motor Vehicles	3,882,507	3,877,681		3,877,681
Improvements Other Than Buildings	215,765	477,923	277,923	200,000
Remodeling and Renovations	764	12,000		12,000
Total Facilities Acquisition and Construction	10,602,825	11,054,143	3,365,140	7,689,003
Total Expenditures	16,378,065	18,204,110	7,575,866	10,628,244
Excess of Revenues Over Expenditures	13,919,859	12,198,908	22,827,152	10,628,244
Other Financing Uses				
Transfers Out	(11,644,707)	(14,206,773)	(14,206,773)	
Total Other Financing Uses	(11,644,707)	(14,206,773)	(14,206,773)	
Net Change in Fund Balances	2,275,152	(2,007,865)	8,620,379	10,628,244
Fund Balances, July 1, 2007	8,441,361	8,441,361	8,441,361	
Fund Balances, June 30, 2008	\$ 10,716,513	\$ 6,433,496	\$ 17,061,740	\$ 10,628,244

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - CAPITAL OUTLAY AND DEBT SERVICE
For the Fiscal Year Ended June 30, 2008

	<i>Capital Outlay and Debt Service Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
REVENUES				
State:				
CO and DS Distribution	\$ 230,401	\$ 358,903	\$ 358,903	\$
Total State	230,401	358,903	358,903	
Local:				
Interest Income		30,597	30,597	
Other Local Sources		2,467	2,468	(1)
Total Local		33,064	33,065	(1)
Total Revenues	230,401	391,967	391,968	(1)
EXPENDITURES				
Current - Education:				
Facility Services:				
Improvements Other Than Buildings	170,000	193,533	165,229	28,304
Remodeling and Renovations	470,701	641,701	123,751	517,950
Total Facility Services	640,701	835,234	288,980	546,254
Fixed Capital Outlay:				
Facilities Acquisition and Construction:				
Improvements Other Than Buildings	235,953	212,420		212,420
Total Facilities Acquisition and Construction	235,953	212,420		212,420
Total Expenditures	876,654	1,047,654	288,980	758,674
Excess (Deficiency) of Revenues Over Expenditures	(646,253)	(655,687)	102,988	758,673
Net Change in Fund Balances	(646,253)	(655,687)	102,988	758,673
Fund Balances, July 1, 2007	1,054,557	1,054,557	1,054,557	
Fund Balances, June 30, 2008	\$ 408,304	\$ 398,870	\$ 1,157,545	\$ 758,673

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - PUBLIC EDUCATION CAPITAL OUTLAY
For the Fiscal Year Ended June 30, 2008

	<i>Public Education Capital Outlay Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
REVENUES				
State:				
Public Education Capital Outlay	\$ 6,231,986	\$ 6,231,986	\$ 6,231,986	\$
Total State	6,231,986	6,231,986	6,231,986	
Local:				
Interest Income		10,507	10,507	
Other Local Sources		5,533	5,533	
Total Local		16,040	16,040	
Total Revenues	6,231,986	6,248,026	6,248,026	
EXPENDITURES				
Current - Education:				
Facility Services:				
Furniture, Fixtures, and Equipment		14,586	14,574	12
Improvements Other Than Buildings	1,582,097	1,683,682	225,103	1,458,579
Remodeling and Renovations	7,655,468	7,281,485	4,074,432	3,207,053
Total Facility Services	9,237,565	8,979,753	4,314,109	4,665,644
Fixed Capital Outlay:				
Facilities Acquisition and Construction:				
Buildings and Fixed Equipment	97,740	211,487	159,650	51,837
Improvements Other Than Buildings	464,162	575,878	395,803	180,075
Remodeling and Renovations	494,018	539,675	28,269	511,406
Total Facilities Acquisition and Construction	1,055,920	1,327,040	583,722	743,318
Total Expenditures	10,293,485	10,306,793	4,897,831	5,408,962
Excess (Deficiency) of Revenues Over Expenditures	(4,061,499)	(4,058,767)	1,350,195	5,408,962
Other Financing Uses				
Transfers Out	(649,038)	(640,407)	(640,407)	
Total Other Financing Uses	(649,038)	(640,407)	(640,407)	
Net Change in Fund Balances	(4,710,537)	(4,699,174)	709,788	5,408,962
Fund Balances, July 1, 2007	4,712,039	4,712,039	4,712,039	
Fund Balances, June 30, 2008	\$ 1,502	\$ 12,865	\$ 5,421,827	\$ 5,408,962

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - STATE BOARD OF EDUCATION (SBE) BOND
For the Fiscal Year Ended June 30, 2008**

	<i>State Board of Education (SBE) Bond Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
REVENUES				
Local:				
Interest Income	\$	\$ 16,261	\$ 16,261	\$
Total Local		16,261	16,261	
Total Revenues		16,261	16,261	
EXPENDITURES				
Current - Education:				
Facility Services:				
Remodeling and Renovations	305,874	528,569		528,569
Total Facility Services	305,874	528,569		528,569
Fixed Capital Outlay:				
Facilities Acquisition and Construction:				
Improvements Other Than Buildings	46,469			
Total Facilities Acquisition and Construction	46,469			
Debt Service:				
Interest and Fiscal Charges		6,084	6,084	
Total Debt Service		6,084	6,084	
Total Expenditures	352,343	534,653	6,084	528,569
Excess (Deficiency) of Revenues Over Expenditures	(352,343)	(518,392)	10,177	528,569
Other Financing Sources				
Bonds Issued		1,295,000	1,295,000	
Premium on Sale of Bonds		46,756	46,756	
Total Other Financing Sources		1,341,756	1,341,756	
Net Change in Fund Balances	(352,343)	823,364	1,351,933	528,569
Fund Balances, July 1, 2007	512,308	512,308	512,308	
Fund Balances, June 30, 2008	\$ 159,965	\$ 1,335,672	\$ 1,864,241	\$ 528,569

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - OTHER CAPITAL PROJECTS
For the Fiscal Year Ended June 30, 2008

	<i>Capital Projects - Other Fund</i>			<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Budgeted Amounts</i>		<i>Actual Amounts</i>	
	<i>Original</i>	<i>Final</i>		
REVENUES				
State:				
Class Size Reduction	\$ 4,061,135	\$ 4,061,135	\$ 4,061,135	\$
Charter School Capital Outlay		596,216	596,216	
Total State Sources	4,061,135	4,657,351	4,657,351	
Local:				
Local Sales Taxes	19,777,964	20,655,828	20,655,828	
Interest Income		2,730,508	2,730,508	
Other Local Revenue		10,982	10,982	
Total Local	19,777,964	23,397,318	23,397,318	
Total Revenues	23,839,099	28,054,669	28,054,669	
EXPENDITURES				
Current - Education:				
Facility Services:				
Furniture, Fixtures, and Equipment	119,812	416,432	125,514	290,918
Improvements Other Than Buildings	1,131,057	1,219,951	668,388	551,563
Remodeling and Renovations	27,785,675	30,281,320	10,776,905	19,504,415
Computer Software	2,040	1,448		1,448
Total Facility Services	29,038,584	31,919,151	11,570,807	20,348,344
Fixed Capital Outlay:				
Facilities Acquisition and Construction				
Buildings and Fixed Equipment	41,557,631	47,745,360	11,153,949	36,591,411
Furniture, Fixtures, and Equipment	375,703	1,573,691	421,496	1,152,195
Motor Vehicles	11,887	1,848	1,848	
Land	1,054,000	1,088,486	85,345	1,003,141
Improvements Other Than Buildings	2,348,561	2,503,609	769,145	1,734,464
Remodeling and Renovations	754,592	998,295	589,846	408,449
Computer Software	26,226			
Total Facilities Acquisition and Construction	46,128,600	53,911,289	13,021,629	40,889,660
Total Expenditures	75,167,184	85,830,440	24,592,436	61,238,004
Excess (Deficiency) of Revenues Over Expenditures	(51,328,085)	(57,775,771)	3,462,233	61,238,004
Other Financing Sources (Uses)				
Proceeds from the Sale of Capital Assets		2,199	2,199	
Transfers Out		(596,216)	(596,216)	
Total Other Financing Uses		(594,017)	(594,017)	
Net Change in Fund Balances	(51,328,085)	(58,369,788)	2,868,216	61,238,004
Fund Balances, July 1, 2007	84,160,123	84,160,123	84,160,123	
Fund Balances, June 30, 2008	\$ 32,832,038	\$ 25,790,335	\$ 87,028,339	\$ 61,238,004

Enterprise Fund

The Panhandle Management Development Network Fund (the Consortium) is the only Enterprise Fund of the District. It is considered to be a non-major Proprietary Fund and is the only fund reported as a Business-Type activity. The Fund is used to account for the resources of the Consortium for which the District is a member and fiscal agent. This Consortium performs, contracts for, and purchases certain services to be used by respective school systems, including, but not limited to, inservice training. The Consortium terminated operations in the 2007-08 fiscal year.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPRIETARY FUNDS - ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2008 and June 30, 2007

	<i>Business-Type Activities</i>	
	<i>Proprietary Funds - Enterprise Fund</i>	
	<i>Panhandle Management Development Network</i>	
	<i>2008</i>	<i>2007</i>
ASSETS		
Current Assets:		
Investments	\$	12,755
TOTAL ASSETS		12,755
NET ASSETS		
Restricted		12,755
TOTAL NET ASSETS	\$	12,755

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPRIETARY FUNDS - ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
For Fiscal Years Ended June 30, 2008 and June 30, 2007

	<i>Business-Type Activities</i>	
	<i>Proprietary Funds - Enterprise Fund</i>	
	<i>Panhandle Management Development Network</i>	
	2008	2007
OPERATING REVENUES		
Charges for Services	\$	\$ 68,770
Total Operating Revenues		68,770
OPERATING EXPENSES		
Purchased Services	8,000	65,862
Material and Supplies		32
Total Operating Expenses	8,000	65,894
Operating Income (Loss)	(8,000)	2,876
NONOPERATING REVENUES (EXPENSES)		
Interest		375
Transfers Out	(4,755)	
Change in Net Assets	(12,755)	3,251
Total Net Assets, July 1, 2007	12,755	9,504
Total Net Assets, June 30, 2008	\$	\$ 12,755

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPRIETARY FUNDS - ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For Fiscal Years Ended June 30, 2008 and June 30, 2007

	Business-Type Activities	
	Proprietary Funds - Enterprise Fund	
	Panhandle Management Development Network	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Services Provided	\$	\$ 68,770
Cash Payments to Suppliers for Goods and Services	(8,000)	(65,894)
Net Cash Provided (Used) by Operating Activities	(8,000)	2,876
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer to Other Funds	(4,755)	
Net Cash Used by Noncapital Financing Activities	(4,755)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments		(3,535)
Sale of Investments	12,755	
Interest Income		374
Net Cash Provided (Used) by Investing Activities	12,755	(3,161)
Net Decrease in Cash and Cash Equivalents		(285)
Beginning Cash and Cash Equivalents		285
Ending Cash and Cash Equivalents	\$	\$
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (8,000)	\$ 2,876
Net Cash Provided (Used) by Operating Activities	\$ (8,000)	\$ 2,876

Internal Service Funds

Internal Service Funds are nonmajor proprietary funds and are reported as Governmental-Type activities. They are used to account for the financing of goods or services provided by one department to other departments within the school district on a cost reimbursement basis. The following funds are included in the Internal Service Funds:

Risk Management Fund – To account for and report on funds received for and used by the District’s self-insured property, casualty, liability, and workers’ compensation program.

Employee Benefit Trust Fund– To account for and report on funds received for and used to pay for life, health and dental insurance issued under the District’s Self-Insurance Program.

Warehouse Operations Fund – To account for and report on funds received for and used by the District’s Warehouse operation.

DISTRICT SCHOOL BOARD OF ESCAMBA COUNTY, FLORIDA
PROPRIETARY FUNDS - ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2008
(With comparative totals for June 30, 2007)

	Governmental Activities				
	Proprietary Funds - Internal Service Funds			Totals	
	Self-Insurance		Warehouse	2008	2007
Risk Management Fund	Employee Benefit Trust Fund	Operations Fund			
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 8,911,839	\$ 9,882,262	\$	\$ 18,794,101	\$ 2,348,516
Investments	12,035,330	15,044,163		27,079,493	39,771,650
Accounts Receivable, Net	202,040	31,567		233,607	521,821
Interest Receivable	6,248			6,248	1,259
Due From Other Funds	565,443			565,443	2,720,470
TOTAL ASSETS	\$ 21,720,900	\$ 24,957,992	\$	\$ 46,678,892	\$ 45,363,716
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$	\$ 442,730	\$	\$ 442,730	\$ 927,258
Accrued Liabilities					35,698
Due to Other Funds	461,047	267,662		728,709	741,893
Due to Other Agencies	85,313			85,313	
Deferred Revenue		3,362,625		3,362,625	3,385,502
Estimated Insurance Claims Payable	3,113,010	4,354,672		7,467,682	9,142,530
Total Current Liabilities	3,659,370	8,427,689		12,087,059	14,232,881
Non-Current Liabilities:					
Estimated Insurance Claims Payable	18,061,530			18,061,530	15,705,413
Total Liabilities	21,720,900	8,427,689		30,148,589	29,938,294
NET ASSETS					
Restricted for Employee Benefits		16,530,303		16,530,303	15,425,422
Total Net Assets		16,530,303		16,530,303	15,425,422
TOTAL LIABILITIES AND NET ASSETS	\$ 21,720,900	\$ 24,957,992	\$	\$ 46,678,892	\$ 45,363,716

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPRIETARY FUNDS - ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
For the Fiscal Year Ended June 30, 2008
(With comparative totals for the fiscal year ended June 30, 2007)

	Governmental Activities				
	Proprietary Funds - Internal Service Funds				
	Self-Insurance			Totals	
	Risk Management Fund	Employee Benefit Trust Fund	Warehouse Operations Fund	2008	2007
OPERATING REVENUES					
Charges for Services	\$	\$	\$ 1,130,585	\$ 1,130,585	\$ 1,068,461
Premium Revenues	5,545,445	39,812,252		45,357,697	45,668,113
Other Operating Revenues		847,079		847,079	723,388
Total Operating Revenues	5,545,445	40,659,331	1,130,585	47,335,361	47,459,962
OPERATING EXPENSES					
Salaries	263,925	186,849	798,995	1,249,769	1,203,848
Employees Benefits	185,966	49,859	310,897	546,722	424,519
Purchased Services	322,392	3,159,119	20,693	3,502,204	
Insurance Claims and Other					41,865,479
Energy Services	2,854	1,206		4,060	4,586
Material and Supplies	5,136	2,171		7,307	7,585
Capital Outlay	235	100		335	
Other Expenses	596	1,893,263		1,893,859	5,050,302
Insurance Claims	5,733,445	34,997,149		40,730,594	
Total Operating Expenses	6,514,549	40,289,716	1,130,585	47,934,850	48,556,319
Operating Income (Loss)	(969,104)	369,615		(599,489)	(1,096,357)
NONOPERATING REVENUES					
Interest	555,162	735,266		1,290,428	1,928,381
Loss Recoveries	413,942			413,942	354,341
Total Nonoperating Revenues	969,104	735,266		1,704,370	2,282,722
Change in Net Assets					
Total Net Assets, July 1, 2007		1,104,881		1,104,881	1,186,365
		15,425,422		15,425,422	14,239,057
Total Net Assets, June 30, 2008	\$	\$ 16,530,303	\$	\$ 16,530,303	\$ 15,425,422

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPRIETARY FUNDS - ALL INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2008
(With comparative totals for the fiscal year ended June 30, 2007)

	Governmental Activities				
	Proprietary Funds - Internal Service Funds				
	Self-Insurance			Totals	
	Risk Management Fund	Employee Benefit Trust Fund	Warehouse Operations Fund	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Board Funds and Participants	\$ 7,823,010	\$ 40,802,130	\$ 1,130,585	\$ 49,755,725	\$ 1,068,461
Cash Received from Premiums					45,598,817
Cash Payments to Suppliers for Goods and Services	(245,900)	(4,971,950)	(20,693)	(5,238,543)	(5,583,488)
Cash Payments to Employees for Services	(455,048)	(248,870)	(1,109,892)	(1,813,810)	(1,553,949)
Cash Payments for Insurance Claims	(3,534,261)	(37,115,064)		(40,649,325)	
Cash Payments for Premiums and Other Fees					(37,789,191)
Net Cash Provided (Used) by Operating Activities	3,587,801	(1,533,754)		2,054,047	1,740,650
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Subsidies from Operating Grants					354,341
Loss Recoveries	413,942			413,942	
Net Cash Provided by Noncapital Financing Activities	413,942			413,942	354,341
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase and Sale of Investments	3,941,602	8,750,556		12,692,158	(4,978,567)
Interest Income	550,173	735,265		1,285,438	1,928,329
Net Cash Provided (Used) by Investment Activities	4,491,775	9,485,821		13,977,596	(3,050,238)
Net Increase (Decrease) in Cash and Cash Equivalents	8,493,518	7,952,067		16,445,585	(955,247)
Beginning Cash and Cash Equivalents	418,321	1,930,195		2,348,516	3,303,763
Ending Cash and Cash Equivalents	\$ 8,911,839	\$ 9,882,262	\$	\$ 18,794,101	\$ 2,348,516
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ (969,104)	\$ 369,615	\$	\$ (599,489)	\$ (1,096,357)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Changes in Assets and Liabilities:					
Decrease in Accounts Receivable	123,252	164,962		288,214	178,878
(Increase) Decrease in Due From Other Funds	2,154,313	714		2,155,027	(957,278)
Increase (Decrease) in Accounts Payable		(484,528)		(484,528)	335,955
Increase (Decrease) in Accrued Liabilities		(35,698)		(35,698)	35,698
Increase (Decrease) in Due to Other Funds	(1,022)	(12,162)		(13,184)	74,418
Increase in Due to Other Agencies	85,313			85,313	
Decrease in Unearned Revenue		(22,877)		(22,877)	(14,285)
Increase (Decrease) in Estimated Insurance Claims Payable	2,195,049	(1,513,780)		681,269	3,183,621
Total Adjustments	4,556,905	(1,903,369)		2,653,536	2,837,007
Net Cash Provided (Used) by Operating Activities	\$ 3,587,801	\$ (1,533,754)	\$	\$ 2,054,047	\$ 1,740,650

Agency Funds

Agency Funds are Fiduciary Funds and are used to account for resources held by the District in a trustee capacity or as an agent for individuals or private organizations. These resources include student and club activities funds that are held in trust for student, athletic, class, club activities, etc. and a voluntary employee benefits program.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2008

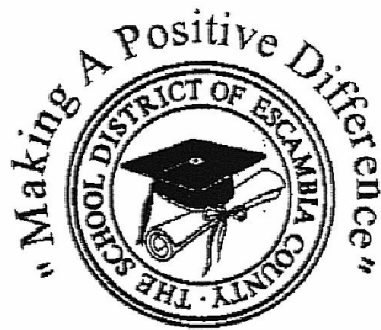
	Agency Funds		
	Total	Student and Club Activities	Employee Benefits
ASSETS			
Cash	\$ 2,939,234	\$ 2,724,039	\$ 215,195
LIABILITIES			
Payroll Deductions and Withholdings	213,252		213,252
Due to Other Funds	24,561	22,618	1,943
Internal Accounts Payable	2,701,421	2,701,421	
Total Liabilities	\$ 2,939,234	\$ 2,724,039	\$ 215,195

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
For the Fiscal Year Ended June 30, 2008

	<i>Student and Club Activities</i>			<u>June 30, 2008</u>
	<u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	
Assets				
Cash	\$ 3,024,098	\$ 6,945,511	\$ 7,245,570	\$ 2,724,039
Liabilities				
Accounts Payable and Other Current Liabilities	\$ 3,024,098	\$	\$ 300,059	\$ 2,724,039

	<i>Employee Benefits Program</i>			<u>June 30, 2008</u>
	<u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	
Assets				
Cash	\$ 296,933	\$ 817,333	\$ 899,071	\$ 215,195
Liabilities				
Accounts Payable and Other Current Liabilities	\$ 296,933	\$ 817,333	\$ 899,071	\$ 215,195

	<i>Total</i>			<u>June 30, 2008</u>
	<u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	
Assets				
Cash	\$ 3,321,031	\$ 7,762,844	\$ 8,144,641	\$ 2,939,234
Liabilities				
Accounts Payable and Other Current Liabilities	\$ 3,321,031	\$ 817,333	\$ 1,199,130	\$ 2,939,234



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Discretely Presented Component Units

The component units' columns in the basic financial statements, include the financial data of the District's discretely presented component units.

Nonmajor Discretely Presented Component Units

The Escambia County Public Schools Foundation for Excellence, Inc. (the "Foundation") is a not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to raise funds, receive, hold, invest, and administer property and to make expenditures for the benefit of the District. Section 1001.453, Florida Statutes, requires the Foundation to be authorized and approved by the District. The stated mission of the Foundation is to enhance the quality of education in Escambia County Public Schools through raising and distributing funds and in-kind contributions, fostering involvement in the public schools by business and community, and by providing recognition and rewards for outstanding contributions to and performance within the public school system. The Foundation is considered to be a component unit of the District because the District must approve all members of the Foundation Board and the District has the ability to impose its will on the Foundation. It is considered to be a discretely presented component unit because the two boards are not the same.

Escambia Charter School, Inc., Beulah Academy of Science, Inc., Byrneville Elementary School, Inc., Dr. Ruby J. Gainer School for Reaching Your Dream, Jacqueline Harris Preparatory Academy, and Pensacola Beach Elementary School, Inc. (Charter Schools) are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. These six charter schools operate under charters approved by their sponsor, the Board, and are considered to be component units of the District since they cannot levy taxes and are fiscally dependent on the District to levy taxes for their support.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
June 30, 2008

	Charter Schools				
	Dr. Ruby J. Gainer School for Reaching Your Dream	Jacqueline Harris Preparatory Academy	Pensacola Beach Elementary School, Inc.	Escambia Charter School Inc.	Byrneville Elementary School, Inc.
ASSETS					
Cash	\$ 107,834	\$ 213,342	\$ 269,171	\$ 184,339	\$ 467,675
Investments			812,872		255,063
Accounts Receivable	2,545	12,830	6,302		3,831
Deposits Receivable		616			
Prepaid Items		14,951	20,886	3,096	
Due from Other Agencies		9,107		65,922	2,099
Other Assets				43,307	
Capital Assets:					
Non-Depreciable Capital Assets	125,353				
Depreciable Capital Assets, Net	630,387	485,913	2,091,751	435,298	103,799
Total Assets	\$ 866,119	\$ 736,759	\$ 3,200,982	\$ 731,962	\$ 832,467
LIABILITIES					
Accounts Payable and Other Current Liabilities	20,861	229,991	52,124	34,470	38,416
Non-Current Liabilities:					
Portion Due or Payable Within One Year:					
Notes Payable	16,187			13,979	
Obligations Under Capital Leases		52,687		40,939	
Compensated Absences Payable	7,239			5,145	6,022
Portion Due or Payable After One Year:					
Notes Payable	537,283			59,631	
Obligations Under Capital Leases		281,536		89,429	
Compensated Absences Payable	4,077			6,929	
Total Liabilities	585,647	564,214	52,124	250,522	44,438
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	202,270	151,690	2,091,751	231,320	103,799
Restricted for:					
Capital Projects			77,756		-
Scholarships, Endowments, and Other Programs			4,208		-
Unrestricted	78,202	20,855	975,143	250,120	684,230
Total Net Assets - Component Units	280,472	172,545	3,148,858	481,440	788,029
TOTAL LIABILITIES AND NET ASSETS	\$ 866,119	\$ 736,759	\$ 3,200,982	\$ 731,962	\$ 832,467

<i>Charter Schools Beulah Academy of Science, Inc.</i>	<i>Total Charter Schools</i>	<i>The Escambia County Public Schools Foundation for Excellence, Inc.</i>	<i>Total Component Units</i>
\$ 788,468	\$ 2,030,829	\$ 173,110	\$ 2,203,939
	1,067,935	246,000	1,313,935
	25,508	19,700	45,208
	616		616
22,148	61,081		61,081
952	78,080		78,080
	43,307		43,307
470,310	595,663		595,663
1,425,689	5,172,837	1,433	5,174,270
\$ 2,707,567	\$ 9,075,856	\$ 440,243	\$ 9,516,099
967	376,829		376,829
62,969	93,135		93,135
	93,626		93,626
	18,406		18,406
1,212,447	1,809,361		1,809,361
	370,965		370,965
	11,006		11,006
1,276,383	2,773,328		2,773,328
620,583	3,401,413		3,401,413
	77,756		77,756
140,000	144,208	336,017	480,225
670,601	2,679,151	104,226	2,783,377
1,431,184	6,302,528	440,243	6,742,771
\$ 2,707,567	\$ 9,075,856	\$ 440,243	\$ 9,516,099

(continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the Fiscal Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Charter Schools				
Governmental Activities:				
Instruction	\$ 2,905,225	\$	\$ 230,084	\$
Pupil Personnel Services	182,332		4,158	
Instructional Media Services	21,896			
Instruction and Curriculum Development Services	15,095			
Instructional Staff Training Services	1,744		941	
Board of Education	1,577			
General Administration	26,329			
School Administration	971,715			
Facility Services	245,282		147,261	
Fiscal Services	153,463			
Food Services	167,896	69,052	24,618	
Central Services	180,783			
Pupil Transportation Services	564,501		370,677	
Operation of Plant	601,877		26,607	
Maintenance of Plant	147,547		770	
Community Services	8,514	9,088	3,759	
Interest on Long-Term Debt	244,416			
Depreciation - Unallocated	31,414			
Pensacola Beach Elementary Building Foundation	139,405	325,560		
Total Charter Schools	6,611,011	403,700	808,875	
The Escambia County Public Schools Foundation For Excellence, Inc.	846,773			
Total Component Units	\$ 7,457,784	\$ 403,700	\$ 808,875	\$

General Revenues:
 Grants and Contributions Not Restricted to Specific Programs
 Unrestricted Investment Earnings
 Miscellaneous
 Insurance Loss Recoveries

Total General Revenues

Change in Net Assets

Net Assets, July 1, 2007
 Adjustment to Restate Beginning Net Assets

Net Assets, July 1, 2007, Restated

Net Assets, June 30, 2008

Net (Expenses) Revenue and Changes in Net Assets

<u>Total Charter Schools</u>	<u>The Escambia County Public Schools Foundation For Excellence, Inc.</u>	<u>Total Component Units</u>
\$ (2,675,141)	\$	\$ (2,675,141)
(178,174)		(178,174)
(21,896)		(21,896)
(15,095)		(15,095)
(803)		(803)
(1,577)		(1,577)
(26,329)		(26,329)
(971,715)		(971,715)
(98,021)		(98,021)
(153,463)		(153,463)
(74,226)		(74,226)
(180,783)		(180,783)
(193,824)		(193,824)
(575,270)		(575,270)
(146,777)		(146,777)
4,333		4,333
(244,416)		(244,416)
(31,414)		(31,414)
186,155		186,155
<u>(5,398,436)</u>		<u>(5,398,436)</u>
	<u>(846,773)</u>	<u>(846,773)</u>
<u>(5,398,436)</u>	<u>(846,773)</u>	<u>(6,245,209)</u>
6,128,840	740,242	6,869,082
54,099	14,065	68,164
209,088		209,088
763,943		763,943
<u>7,155,970</u>	<u>754,307</u>	<u>7,910,277</u>
<u>1,757,534</u>	<u>(92,466)</u>	<u>1,665,068</u>
4,553,038	532,709	5,085,747
(8,044)		(8,044)
<u>4,544,994</u>	<u>532,709</u>	<u>5,077,703</u>
<u>\$ 6,302,528</u>	<u>\$ 440,243</u>	<u>\$ 6,742,771</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

Dr. Ruby J. Gainer School for Reaching Your Dream

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Total Dr. Ruby J. Gainer School for Reaching Your Dream
Charter School					
Governmental Activities:					
Instruction	\$ 213,193	\$	\$	\$	\$ (213,193)
Pupil Personnel Services	144,583		4,158		(140,425)
Instructional Media Services					
Instruction and Curriculum Development Services					
Instructional Staff Training Services					
Board of Education					
General Administration					
School Administration	125,237				(125,237)
Facility Services					
Fiscal Services	35,189				(35,189)
Food Services	1,241				(1,241)
Central Services	72,658				(72,658)
Pupil Transportation Services	67,305				(67,305)
Operation of Plant	76,496		26,607		(49,889)
Maintenance of Plant	23,615				(23,615)
Community Services					
Interest on Long-Term Debt	43,205				(43,205)
Unallocated Depreciation	31,414				(31,414)
Total Charter School	\$ 834,136	\$	\$ 30,765	\$	(803,371)
General Revenues:					
Grants and Contributions Not Restricted to Specific Programs					944,294
Unrestricted Investment Earnings					1,723
Miscellaneous					7,148
Total General Revenues					953,165
Change in Net Assets					
					149,794
Net Assets, July 1, 2007					130,678
Net Assets, June 30, 2008					\$ 280,472

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

Jacqueline Harris Preparatory Academy

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Total Jacqueline Harris Preparatory Academy
Charter School					
Governmental Activities:					
Instruction	\$ 643,057	\$	\$	\$	\$ (643,057)
Pupil Personnel Services					
Instructional Media Services					
Instruction and Curriculum Development Services	11,785				(11,785)
Instructional Staff Training Services					
Board of Education	1,270				(1,270)
General Administration					
School Administration	269,863				(269,863)
Facility Services					
Fiscal Services	45,908				(45,908)
Food Services	11,194				(11,194)
Central Services					
Pupil Transportation Services	117,645				(117,645)
Operation of Plant	217,416				(217,416)
Maintenance of Plant	52,630				(52,630)
Community Services					
Interest on Long-Term Debt	73,703				(73,703)
Unallocated Depreciation					
Total Charter School	\$ 1,444,471	\$	\$	\$	(1,444,471)
General Revenues:					
Grants and Contributions Not Restricted to Specific Programs					1,479,138
Unrestricted Investment Earnings					
Miscellaneous					
Total General Revenues					1,479,138
Change in Net Assets					34,667
Net Assets, July 1, 2007					137,878
Net Assets, June 30, 2008					\$ 172,545

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

Pensacola Beach Elementary School, Inc.

Functions/Programs	Expenses	Program Revenues		Total Pensacola Beach Elementary School, Inc.
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Charter School				
Governmental Activities:				
Instruction	\$ 530,807	\$	\$ 19,039	\$ (511,768)
Pupil Personnel Services				
Instructional Media Services	18,158			(18,158)
Instruction and Curriculum Development Services	1,902			(1,902)
Instructional Staff Training Services				
Board of Education				
General Administration	21,985			(21,985)
School Administration	131,924			(131,924)
Facility Services	188,734		142,865	(45,869)
Fiscal Services	27,003			(27,003)
Food Services	29,424	16,335	4,630	(8,459)
Central Services				
Pupil Transportation Services	32,767			(32,767)
Operation of Plant	5,108			(5,108)
Maintenance of Plant	3,538			(3,538)
Community Services	8,514	9,088	3,759	4,333
Interest on Long-Term Debt				
Pensacola Beach Elementary Building Foundation	139,405	325,560		186,155
Total Charter School	\$ 1,139,269	\$ 350,983	\$ 170,293	\$ (617,993)
General Revenues:				
Grants and Contributions Not Restricted to Specific Programs				817,029
Unrestricted Investment Earnings				31,013
Insurance Loss Recoveries				763,943
Total General Revenues				1,611,985
Change in Net Assets				993,992
Net Assets, July 1, 2007				2,154,866
Net Assets, June 30, 2008				\$ 3,148,858

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

Escambia Charter School, Inc.

Functions/Programs	Expenses	Program Revenues		Total Escambia Charter School, Inc.
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Charter School				
Governmental Activities:				
Instruction	\$ 365,709	\$	\$ 37,714	\$ (327,995)
Pupil Personnel Services	31,368			(31,368)
Instructional Media Services				
Instruction and Curriculum Development Services				
Instructional Staff Training Services				
Board of Education	307			(307)
General Administration				
School Administration	2,383			(2,383)
Facility Services	37,799			(37,799)
Fiscal Services	35,263			(35,263)
Food Services				
Central Services	41,238			(41,238)
Pupil Transportation Services	163,669		55,763	(107,906)
Operation of Plant	52,971			(52,971)
Maintenance of Plant	7,681			(7,681)
Community Services				
Interest on Long-Term Debt	17,554			(17,554)
Unallocated Depreciation				
Total Charter School	\$ 755,942	\$	\$ 93,477	\$ (662,465)
General Revenues:				
Grants and Contributions Not Restricted to Specific Programs				619,637
Unrestricted Investment Earnings				1,226
Miscellaneous				179,340
Total General Revenues				800,203
Change in Net Assets				137,738
Net Assets, July 1, 2007				351,746
Adjustment to Restate Beginning Net Assets				(8,044)
Net Assets, July 1, 2007, Restated				343,702
Net Assets, June 30, 2008				\$ 481,440

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

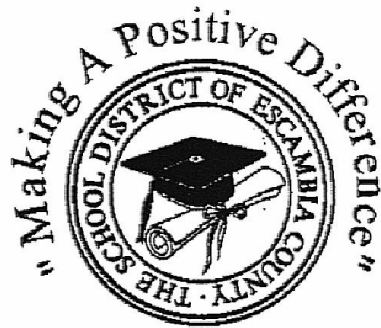
Byrneville Elementary School, Inc.

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Total Byrneville Elementary School, Inc.
Charter School					
Governmental Activities:					
Instruction	\$ 630,155	\$	\$ 79,873	\$	\$ (550,282)
Pupil Personnel Services	4,181				(4,181)
Instructional Media Services	780				(780)
Instruction and Curriculum Development Services	315				(315)
Instructional Staff Training Services	1,344		941		(403)
Board of Education					
General Administration	4,344				(4,344)
School Administration	268,419				(268,419)
Facility Services	17,765		4,396		(13,369)
Fiscal Services					
Food Services	20,807		19,988		(819)
Central Services					
Pupil Transportation Services	38,337		94,006		55,669
Operation of Plant	73,518				(73,518)
Maintenance of Plant	5,137		770		(4,367)
Community Services					
Interest on Long-Term Debt					
Unallocated Depreciation					
Total Charter School	\$ 1,065,102	\$	\$ 199,974	\$	(865,128)
General Revenues:					
Grants and Contributions Not Restricted to Specific Programs					859,811
Unrestricted Investment Earnings					20,137
Miscellaneous					22,600
Total General Revenues					902,548
Change in Net Assets					37,420
Net Assets, July 1, 2007					750,609
Net Assets, June 30, 2008					\$ 788,029

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNIT
For the Fiscal Year Ended June 30, 2008

Beulah Academy of Science, Inc.

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Total Beulah Academy of Science, Inc.
Charter School					
Governmental Activities:					
Instruction	\$ 522,304	\$	\$ 93,458	\$	\$ (428,846)
Pupil Personnel Services	2,200				(2,200)
Instructional Media Services	2,958				(2,958)
Instruction and Curriculum Development Services	1,093				(1,093)
Instructional Staff Training Services	400				(400)
Board of Education					
General Administration					
School Administration	173,889				(173,889)
Facility Services	984				(984)
Fiscal Services	10,100				(10,100)
Food Services	105,230	52,717			(52,513)
Central Services	66,887				(66,887)
Pupil Transportation Services	144,778		220,908		76,130
Operation of Plant	176,368				(176,368)
Maintenance of Plant	54,946				(54,946)
Community Services					
Interest on Long-Term Debt	109,954				(109,954)
Unallocated Depreciation					
Total Charter School	\$ 1,372,091	\$ 52,717	\$ 314,366	\$	(1,005,008)
General Revenues:					
Grants and Contributions Not Restricted to Specific Programs					1,408,931
Unrestricted Investment Earnings					
Miscellaneous					
Total General Revenues					1,408,931
Change in Net Assets					403,923
Net Assets, July 1, 2007					1,027,261
Net Assets, June 30, 2008					\$ 1,431,184



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STATISTICAL SECTION

STATISTICAL SECTION

This part of the District School Board of Escambia County, Florida's comprehensive annual financial report presents detail information as a context for understanding what the information in the financial statements, notes disclosures and required supplementary information says about the School Board's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	130
Revenue Capacity <i>These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</i>	148
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	154
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</i>	156
Operating Information <i>These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</i>	160

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
NET ASSETS BY COMPONENT - GOVERNMENT-WIDE
LAST SEVEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending	
	June 30, 2002	June 30, 2003
Governmental Activities:		
Invested in Capital Assets, Net of Related Debt	\$ 133,478,835	\$ 147,586,093
Restricted	68,213,141	53,219,958
Unrestricted	(27,098,266)	(23,503,134)
Total Governmental Activities Net Assets	174,593,710	177,302,917
Business-Type Activities:		
Invested in Capital Assets, Net of Related Debt	1,233	860
Restricted	54,932	29,616
Unrestricted		
Total Business-Type Activities Net Assets	56,165	30,476
Primary Government:		
Invested in Capital Assets, Net of Related Debt	133,480,068	147,586,953
Restricted	68,268,073	53,249,574
Unrestricted	(27,098,266)	(23,503,134)
Total Primary Government Net Assets	\$ 174,649,875	\$ 177,333,393

Note: Government-wide information was not required prior to GASB 34. The District implemented GASB 34 for the fiscal year ending June 30, 2002. As a result, information is only available for the last seven fiscal years.

Source: District Records

Fiscal Year Ending

<u>June 30, 2004</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>
\$ 154,090,375	\$ 163,801,365	\$ 165,456,952	\$ 178,915,643	\$ 188,476,535
59,376,537	73,009,496	104,744,385	128,677,400	141,958,454
(20,340,709)	(22,151)	(4,437,218)	(5,337,670)	(8,743,741)
<u>193,126,203</u>	<u>236,788,710</u>	<u>265,764,119</u>	<u>302,255,373</u>	<u>321,691,248</u>
486				
2,213	9,518			
		9,504	12,755	
<u>2,699</u>	<u>9,518</u>	<u>9,504</u>	<u>12,755</u>	
154,090,861	163,801,365	165,456,952	178,915,643	188,476,535
59,378,750	73,019,014	104,744,385	128,677,400	141,958,454
(20,340,709)	(22,151)	(4,427,714)	(5,324,915)	(8,743,741)
<u>\$ 193,128,902</u>	<u>\$ 236,798,228</u>	<u>\$ 265,773,623</u>	<u>\$ 302,268,128</u>	<u>\$ 321,691,248</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
CHANGES IN NET ASSETS - GOVERNMENT-WIDE
LAST SEVEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending						
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008
Primary Government:							
Expenses:							
Governmental Activities:							
Instruction	\$ 146,181,833	\$ 148,379,688	\$ 155,887,571	\$ 166,893,196	\$ 184,674,639	\$ 200,035,407	\$ 210,699,076
Pupil Personnel Services	14,602,965	14,640,383	15,203,973	15,476,153	16,289,854	17,710,197	17,159,487
Instructional Media Services	4,819,412	4,732,436	4,963,139	4,821,902	5,471,588	5,877,497	5,591,263
Instruction and Curriculum							
Development Services	11,396,661	10,443,906	11,121,191	11,689,669	10,324,742	11,939,007	11,812,859
Instructional Staff Training Services	2,309,488	3,356,182	3,846,981	5,449,226	7,157,151	7,408,236	7,787,869
Instruction Related Technology					2,677,467	2,777,732	3,267,448
Board of Education	965,996	1,035,031	1,006,635	999,642	1,063,889	1,063,256	1,212,416
General Administration	946,551	767,721	2,006,341	2,100,671	1,741,746	1,369,805	1,525,336
School Administration	13,837,066	14,170,283	13,945,547	13,769,779	14,577,098	15,866,203	15,674,843
Facility Services	31,252,376	25,371,556	24,038,082	27,337,176	37,322,496	37,396,130	31,604,053
Fiscal Services	1,901,000	2,130,256	2,102,778	2,023,565	2,104,460	2,255,833	2,386,653
Food Service	15,780,247	15,524,550	16,563,724	16,988,160	18,021,854	18,952,187	18,578,045
Central Services	5,878,048	5,792,717	5,696,036	5,543,354	3,440,807	4,160,563	5,103,314
Pupil Transportation Services	14,770,450	14,423,377	14,997,131	14,984,538	15,593,018	17,173,433	17,894,762
Operation of Plant	18,982,467	21,020,078	21,494,975	22,312,201	23,119,212	22,270,568	28,308,033
Maintenance of Plant	4,701,360	5,364,336	9,738,735	22,204,545	19,020,854	13,854,263	11,875,929
Administrative Technology Services					3,670,920	3,712,180	3,813,897
Community Services	1,125,850	933,994	740,474	674,314	694,296	709,533	897,108
Interest and Fiscal Charges	5,689,887	4,813,325	4,454,513	3,771,756	3,181,513	3,650,125	3,251,291
Loss on Disposal of Capital Assets	796,866		1,281,080	1,126,173	1,006,503	3,653,313	334,149
Depreciation - Unallocated	8,014,964	17,721,728	8,803,524	8,924,399			
Total Governmental Activities Expenses	303,953,487	310,621,547	317,892,430	347,090,419	371,154,107	396,835,468	398,777,831
Business-Type Activities:							
Panhandle Management Development Network	93,327	94,361	85,300	46,637	47,785	65,894	8,000
Total Business-Type Activities Expenses	93,327	94,361	85,300	46,637	47,785	65,894	8,000
Total Primary Government Expenses	304,046,814	310,715,908	317,977,730	347,137,056	371,201,892	396,901,362	398,785,831
Program Revenues:							
Governmental Activities:							
Charges for Services							
Instruction	1,480,931	1,373,975	1,249,100	1,213,461	1,163,378	1,186,281	1,221,058
Food Services	5,224,796	5,112,183	5,238,245	5,088,795	5,833,058	6,104,082	5,901,163
Operating Grants and Contributions	21,939,980	22,705,666	22,377,627	23,087,951	23,186,429	23,196,783	22,893,049
Capital Grants and Contributions	13,988,444	5,405,474	9,783,044	6,884,765	6,626,047	14,393,520	12,787,860
Total Governmental Activities Program Revenues	42,634,151	34,597,298	38,648,016	36,274,972	36,808,912	44,880,666	42,803,130
Business-Type Activities:							
Charges for Services	93,721	68,672	57,327	53,187	47,598	68,770	
Total Business-Type Activities Program Revenues	93,721	68,672	57,327	53,187	47,598	68,770	
Total Primary Government Program Revenues	42,727,872	34,665,970	38,705,343	36,328,159	36,856,510	44,949,436	42,803,130

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
CHANGES IN NET ASSETS - GOVERNMENT-WIDE
LAST SEVEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending						
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008
Net (Expenses)/Revenues							
Governmental Activities	(261,319,336)	(276,024,249)	(279,244,414)	(310,815,447)	(334,345,195)	(351,954,802)	(355,974,701)
Business-Type Activities	394	(25,689)	(27,973)	6,550	(187)	2,876	(8,000)
Total Primary Government Net Expenses	<u>(261,318,942)</u>	<u>(276,049,938)</u>	<u>(279,272,387)</u>	<u>(310,808,897)</u>	<u>(334,345,382)</u>	<u>(351,951,926)</u>	<u>(355,982,701)</u>
General Revenues and Other Changes in Net Assets:							
Governmental Activities:							
Property Taxes:							
Levied for General Purposes	58,641,483	60,456,419	63,387,027	69,965,606	65,457,064	81,045,039	85,413,366
Levied for Capital Projects	16,790,984	17,457,807	18,720,521	21,828,682	21,702,808	27,507,116	29,869,892
Sales Taxes	16,816,616	17,349,378	18,321,536	22,265,741	22,770,190	21,969,232	20,655,828
Grants and Entitlements	173,532,735	180,952,272	189,999,251	197,604,758	221,882,698	225,973,513	224,459,137
Unrestricted Investment Earnings	2,143,931	1,334,820	1,148,147	2,485,859	6,555,524	8,754,067	5,787,426
Miscellaneous	1,961,409	1,182,760	3,491,218	5,162,918	2,941,087	3,015,536	4,756,160
Loss Recoveries				35,164,391	22,011,233	20,181,553	4,464,012
Transfers							4,755
Total Governmental Activities	<u>269,887,158</u>	<u>278,733,456</u>	<u>295,067,700</u>	<u>354,477,955</u>	<u>363,320,604</u>	<u>388,446,056</u>	<u>375,410,576</u>
Business-Type Activities:							
Transfers							(4,755)
Investment Earnings			196	269	173	375	
Total Business-Type Activities			<u>196</u>	<u>269</u>	<u>173</u>	<u>375</u>	<u>(4,755)</u>
Total Primary Government General Revenues and Other Changes in Net Assets	<u>269,887,158</u>	<u>278,733,456</u>	<u>295,067,896</u>	<u>354,478,224</u>	<u>363,320,777</u>	<u>388,446,431</u>	<u>375,405,821</u>
Changes in Net Assets:							
Governmental Activities	8,567,822	2,709,207	15,823,286	43,662,508	28,975,409	36,491,254	19,435,875
Business-Type Activities	394	(25,689)	(27,777)	6,819	(14)	3,251	(12,755)
Total Primary Government	<u>\$ 8,568,216</u>	<u>\$ 2,683,518</u>	<u>\$ 15,795,509</u>	<u>\$ 43,669,327</u>	<u>\$ 28,975,395</u>	<u>\$ 36,494,505</u>	<u>\$ 19,423,120</u>

Source: District Records

Note: Government-wide information was not required prior to GASB 34. The District implemented GASB 34 for the fiscal year ending June 30, 2002. As a result, information is only available for the last seven fiscal years.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	For the Fiscal Year Ending			
	June 30, 1999	June 30, 2000	June 30, 2001	June 30, 2002
General Fund				
Reserved for:				
Encumbrances	\$ 2,612,181	\$ 3,050,588	\$ 3,125,421	\$ 2,222,655
State Categorical Programs	3,853,909	5,465,128	8,142,689	997,913
Inventories				1,238,383
Legal Restrictions				
Other Purposes				1,732,707
Unreserved	<u>7,987,485</u>	<u>4,928,009</u>	<u>5,449,383</u>	<u>7,831,113</u>
Total General Fund	<u>\$ 14,453,575</u>	<u>\$ 13,443,725</u>	<u>\$ 16,717,493</u>	<u>\$ 14,022,771</u>
All Other Governmental Funds				
Reserved for:				
Debt Service	\$ 535,745	\$ 559,299	\$	\$ 354,902
Encumbrances	26,536,150	24,042,034	20,652,953	14,047,489
Inventories				1,036,622
Unreserved, Reported in:				
Special Revenue Funds	4,623,848	4,727,428	3,367,169	3,910,822
Debt Service Funds			957,831	540,643
Capital Projects Funds (a)	<u>39,094,027</u>	<u>42,224,791</u>	<u>48,454,234</u>	<u>47,586,880</u>
Total All Other Governmental Funds	<u>\$ 70,789,770</u>	<u>\$ 71,553,552</u>	<u>\$ 73,432,187</u>	<u>\$ 67,477,358</u>

(a) The increase in Fund Balance is primarily caused by the accumulation of sales tax dollars which will be used according to an established schedule. In the 2004-05 fiscal year a hurricane caused extensive damage to the physical structures. Both FEMA and insurance recoveries were used to reconstruct the facilities putting on hold the sales tax projects.

Source: District Records

For the Fiscal Year Ending					
June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008
\$ 1,882,203	\$ 2,831,554	\$ 20,015,372	\$ 12,727,760	\$ 11,191,867	\$ 2,352,701
1,652,485	3,983,729	1,559,107	3,391,398	5,202,838	4,293,074
1,557,216	1,390,954	1,205,985	1,319,469	1,356,364	1,422,407
					4,267,982
1,344,288	3,135,501	1,757,006	1,381,969	1,608,877	
10,512,434	10,080,983	15,541,028	20,703,572	20,481,566	24,826,303
<u>\$ 16,948,626</u>	<u>\$ 21,422,721</u>	<u>\$ 40,078,498</u>	<u>\$ 39,524,168</u>	<u>\$ 39,841,512</u>	<u>\$ 37,162,467</u>
\$ 12,727,074	\$ 13,208,781	\$ 278,580	\$ 12,308,154	\$ 13,303,247	\$ 231,418
1,111,230	811,738	3,599,895	1,148,835	1,070,863	28,393,311
		1,137,894			1,078,435
4,455,894	5,068,701	4,284,110	4,604,630	4,426,188	3,889,807
1,120,715	1,244,181	344,816	2,915,269	4,742,564	4,480,160
33,381,242	36,080,185	55,401,026	67,713,542	86,377,339	84,573,574
<u>\$ 52,796,155</u>	<u>\$ 56,413,586</u>	<u>\$ 65,046,321</u>	<u>\$ 88,690,430</u>	<u>\$ 109,920,201</u>	<u>\$ 122,646,705</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	For the Fiscal Year Ending									
	June 30, 1999	June 30, 2000	June 30, 2001	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008
Federal Direct Sources:										
Federal Impact, Current Operations	\$ 763,077	\$ 633,759	\$ 940,582	\$ 1,051,851	\$ 1,233,674	\$ 1,280,899	\$ 1,294,911	\$ 923,300	\$ 1,152,581	\$ 1,183,926
Reserve Officers Training Corps (ROTC)	313,020	316,195	313,000	391,258	367,798	392,036	415,085	453,665	417,065	409,098
Miscellaneous Federal Direct	1,454,753	488,041	453,564	1,239,511	1,524,949	1,371,359	480,964	311,764	962,300	772,319
Total Federal Direct Sources	2,530,850	1,437,995	1,707,146	2,682,620	3,126,421	3,044,294	2,190,960	1,688,729	2,531,946	2,365,343
Federal Through State Sources:										
Food Service and Donated Foods	10,512,545	10,362,925	10,512,735	10,943,800	10,795,273	11,124,757	11,355,676	11,318,091	11,671,718	11,410,831
Other Federal Through State Grants	17,741,888	20,401,895	24,116,941	25,537,582	28,382,641	30,940,397	33,193,175	38,520,498	35,048,555	31,078,529
Total Federal Through State Sources	28,254,433	30,764,820	34,629,676	36,481,382	39,177,914	42,065,154	44,548,851	49,838,589	46,720,273	42,489,360
State Sources:										
Florida Education Finance Program (FEFP)	134,970,187	123,192,690	132,061,385	122,802,678	130,287,135	131,516,738	126,838,697	139,867,238	137,022,162	119,465,949
Workforce Development	5,137,065	5,082,947	5,520,377	5,010,451	5,023,407	4,989,038	5,109,994	5,228,544	5,432,193	5,272,821
Adults with Disabilities	357,460	357,460	312,460	292,962	291,344	292,962	292,946	293,265	292,671	270,706
Categorical Programs	21,739,003	29,916,146	23,135,615	22,163,564	20,572,516	26,188,898	33,566,532	42,949,749	52,103,260	72,989,150
District Discretionary Lottery Funds	3,471,040	2,691,245	3,284,494	3,856,072	2,976,815	2,976,815	1,977,606	2,261,868	1,964,953	1,880,022
CO&DS Distributed to District	178,365	174,590	179,920	201,066	205,043	181,261	175,119	171,673	191,946	383,269
CO&DS Withheld for SBE/COBI Bonds	1,470,252	1,418,940	1,395,847	1,375,490	1,382,986	1,398,835	1,414,448	1,409,332	1,384,081	1,270,660
Public Education Capital Outlay	3,383,688	1,499,000	7,680,003	7,048,061	3,709,360	3,746,833	4,215,818	4,200,190	5,493,269	6,231,986
Classroom First Program	16,200,000		1,193,641							
School Infrastructure Trust	1,258,400	1,745,288								
Effort Index				4,788,867						
Class Size Reduction	2,034,407					4,385,854	969,616	660,491	6,995,090	4,061,135
Food Services	508,024	463,069	444,759	467,249	452,487	423,314	394,459	371,017	371,943	367,566
State Grants and Other State Sources	1,865,224	3,178,669	2,963,443	1,783,645	1,807,755	1,921,109	5,535,116	2,921,613	3,181,271	2,858,430
Total State Sources	192,573,115	169,720,024	178,171,944	169,790,105	166,708,848	177,022,448	180,774,613	200,038,065	214,054,757	215,051,694
Local Sources:										
District School Ad Valorem Taxes	64,766,675	63,752,175	71,558,613	75,432,467	77,914,226	82,107,548	91,794,287	87,159,872	108,552,155	115,283,258
Food Service Sales	4,820,015	5,036,200	5,077,352	5,224,796	5,112,183	5,238,245	5,088,796	5,833,058	6,104,082	5,901,163
Sales Taxes	15,849,073	16,511,353	15,540,007	16,816,616	17,349,378	18,321,536	22,265,741	22,770,190	21,969,232	20,655,828
Interest Income	3,529,299	4,936,836	5,241,687	2,500,838	1,263,196	1,049,558	2,225,860	5,855,365	7,854,187	5,232,574
Local Grants and Other Local Sources	3,196,723	3,754,140	4,362,621	3,386,187	2,556,734	4,740,319	5,022,851	4,104,466	4,201,818	5,976,239
Total Local Sources	92,161,785	93,990,704	101,780,280	103,360,904	104,195,717	111,457,206	126,397,535	125,722,951	148,681,474	153,049,062
Total Revenues	315,520,183	295,913,543	316,289,046	312,315,011	313,208,900	333,589,102	353,911,959	377,288,334	411,988,450	412,955,459
Expenditures:										
Current:										
Instruction	139,854,310	139,324,292	144,650,123	147,787,709	148,588,919	156,391,058	170,618,643	181,014,101	194,003,980	204,278,206
Pupil Personnel Services	14,537,944	14,525,830	14,532,658	14,734,135	14,638,858	15,306,204	15,962,268	16,499,340	17,744,031	17,053,141
Instructional Media Services	5,185,594	5,181,817	4,862,571	4,868,413	4,738,314	4,982,034	4,953,218	5,556,320	5,866,894	5,461,659
Instruction and Curriculum										
Development Services	10,173,684	9,915,584	10,791,346	11,489,935	10,444,996	11,199,203	11,941,611	10,322,096	11,518,924	11,693,817
Instructional Staff Training Services	1,608,392	2,011,331	1,806,171	2,312,444	3,357,515	3,861,770	5,490,789	7,152,755	7,407,788	7,729,025
Instruction Related Technology (a)								2,531,278	2,777,316	2,814,699
Board of Education	588,073	1,098,531	985,575	972,879	1,036,285	1,010,844	1,018,539	898,235	1,062,728	1,206,764
General Administration	1,371,592	1,283,936	1,847,101	949,863	768,364	2,006,576	2,116,662	1,749,728	1,360,405	1,504,389
School Administration	14,615,072	14,538,363	14,740,873	13,947,689	14,141,719	14,121,144	14,355,836	14,798,168	15,900,390	15,390,211
Facility Services	12,181,305	1,940,716	1,491,654	26,486,596	21,041,401	19,385,210	22,643,281	29,608,301	32,431,045	23,719,493
Fiscal Services	2,442,413	1,929,359	2,019,798	1,915,765	2,130,080	2,115,085	2,077,336	2,136,659	2,255,801	2,350,543
Food Service	15,589,149	15,306,363	16,763,770	15,947,507	15,532,370	16,599,856	17,059,157	17,712,161	18,687,353	18,262,744
Central Services	7,071,720	7,020,616	6,813,772	5,933,242	5,785,915	5,725,181	5,766,979	3,368,861	4,012,916	4,970,337

(Continued)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	For the Fiscal Year Ending									
	June 30, 1999	June 30, 2000	June 30, 2001	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008
Pupil Transportation Services	14,247,855	15,506,071	16,270,544	14,080,972	13,517,857	14,030,520	14,263,018	14,588,532	15,868,321	16,496,816
Operation of Plant	17,917,658	18,364,602	19,588,497	19,149,719	21,043,491	21,530,190	22,520,423	23,246,435	27,282,271	28,281,523
Maintenance of Plant	6,744,189	5,747,881	5,373,295	4,784,086	5,374,729	9,759,126	22,408,399	17,443,160	12,293,035	11,547,704
Administrative Technology Services (a)								2,980,297	3,143,570	3,147,233
Community Services	830,059	811,267	959,907	1,131,211	934,695	740,476	674,314	694,296	709,533	896,030
Fixed Capital Outlay:										
Facilities Acquisition and Construction	15,403,429	40,238,587	43,804,765	23,458,433	26,981,209	13,510,274	12,417,729	11,629,269	24,593,503	21,385,160
Other Capital Outlay	4,793,615	4,241,796	4,568,565	3,049,746	3,596,899	3,292,953	4,858,396	4,746,264	3,768,805	3,174,268
Debt Service:										
Principal	2,496,381	2,734,919	3,803,538	4,277,595	7,063,889	6,816,652	8,658,207	4,477,131	4,455,384	4,434,860
Interest and Fiscal Charges	4,899,992	5,132,717	5,580,206	5,531,064	4,813,325	4,456,181	4,081,231	3,102,584	3,478,895	3,208,832
Total Expenditures	292,552,426	306,854,578	321,254,729	322,809,003	325,530,830	326,840,537	363,886,036	376,255,971	410,622,888	409,007,454
Excess (Deficiency) of Revenues Over Expenditures	22,967,757	(10,941,035)	(4,965,683)	(10,493,992)	(12,321,930)	6,748,585	(9,974,077)	1,032,363	1,365,562	3,948,005
Other Financing Sources (Uses)										
Notes Payable Issued	239,583	9,990,458	10,000,000			554,427				
Bonds Issued						742,516	369,633			1,295,000
Refunding Bonds Issued								3,260,000		
Proceeds from Sale of Capital Assets	21,400			6,500	520,000	42,000				2,199
Loss Recoveries	426,667	1,004,209	96,541	121,834	46,582	4,018	36,517,919			4,750,744
Certificates of Participation Issued								22,725,000	20,000,000	
Refunding Certificates of Participation Issued				16,745,000			(23,172,965)			
Inception of Capital Lease				1,419,930						
Premiums on Long-Term Debt Issued								301,935		46,756
Payment to Refunding Escrow Agent				(16,448,823)			823,002	(23,515,752)		
Transfers In	6,133,063	6,938,224	8,803,685	7,861,264	8,599,185	14,057,259	14,363,168	12,851,686	14,218,508	15,448,151
Transfers Out	(6,396,263)	(7,237,924)	(8,782,140)	(7,861,264)	(8,599,185)	(14,057,259)	(14,363,168)	(12,851,686)	(14,218,508)	(15,443,396)
Total Other Financing Sources (Uses)	424,450	10,694,967	10,118,086	1,844,441	566,582	1,342,961	37,262,589	46,183	-	6,099,454
Change in Fund Balances Before Extraordinary Items	23,392,207	(246,068)	5,152,403	(8,649,551)	(11,755,348)	8,091,526	27,288,512	1,078,546	1,365,562	10,047,459
Extraordinary Items								22,011,233	20,181,553	
Net Change in Fund Balances	23,392,207	(246,068)	5,152,403	(8,649,551)	(11,755,348)	8,091,526	27,288,512	23,089,779	21,547,115	10,047,459
Fund Balances, Beginning	61,851,138	85,243,345	84,997,277	90,149,680	81,500,129	69,744,781	77,836,307	105,124,819	128,214,598	149,761,713
Fund Balances, Ending	\$ 85,243,345	\$ 84,997,277	\$ 90,149,680	\$ 81,500,129	\$ 69,744,781	\$ 77,836,307	\$ 105,124,819	\$ 128,214,598	\$ 149,761,713	\$ 159,809,172
Debt Service as a Percentage of Noncapital Expenditures	2.72%	3.00%	3.44%	3.31%	4.03%	3.64%	3.68%	2.11%	2.08%	1.95%

(a) In fiscal year ending June 30, 2006, two new function/program expenditures classifications were established to report technology expenditures previously reported in central services.

Source: District Records

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SUMMARY OF REVENUES, EXPENDITURES (by Major Object),
AND CHANGES IN FUND BALANCES - GENERAL FUND
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending				
	June 30, 1999	June 30, 2000	June 30, 2001	June 30, 2002	June 30, 2003
Federal Direct Sources:					
Federal Impact, Current Operation	\$ 763,077	\$ 633,759	\$ 940,582	\$ 1,051,851	\$ 1,233,674
Reserve Officers Training Corps (ROTC)	313,020	316,195	313,000	391,258	367,798
Miscellaneous	274,612	76,029			
Total Federal Direct	1,350,709	1,025,983	1,253,582	1,443,109	1,601,472
Federal Through State:					
Medicaid	11,644	860,365	1,241,438	1,353,540	1,783,361
Miscellaneous	740,515	340,819	75,687	237,559	188,451
Total Federal Through State	752,159	1,201,184	1,317,125	1,591,099	1,971,812
State Sources:					
Florida Education Finance Program (FEFP)	134,970,187	123,192,690	132,061,385	122,802,678	130,287,135
Workforce Development	5,137,065	5,082,947	5,520,377	5,010,451	5,023,407
Adults with Disabilities	357,460	357,460	312,460	292,962	291,344
Categorical Programs	23,773,410	29,916,146	23,135,615	22,163,564	20,572,517
District Discretionary Lottery Funds	3,471,040	2,691,245	3,284,494	3,856,072	2,976,815
CO&DS Withheld for Administrative Expenses	24,138	24,009	23,996	24,008	24,183
State Grants and Other State Sources	1,865,224	2,948,940	2,881,334	1,707,672	1,742,363
Total State Sources	169,598,524	164,213,437	167,219,661	155,857,407	160,917,764
Local Sources:					
District School Ad Valorem Taxes	51,211,089	49,600,771	56,078,618	58,641,483	60,456,419
Interest Income	1,476,104	2,016,622	1,771,751	938,572	397,370
Local Grants and Other Local Sources	3,186,118	3,653,217	4,351,025	3,380,607	2,534,690
Total Local Sources	55,873,311	55,270,610	62,201,394	62,960,662	63,388,479
Total Revenues	227,574,703	221,711,214	231,991,762	221,852,277	227,879,527
Expenditures: (by object)					
Salaries	138,855,040	139,277,523	138,079,906	139,550,364	136,940,507
Employee Benefits	48,701,356	45,756,459	48,289,417	45,353,386	45,521,652
Purchased Services	13,137,295	14,719,268	15,006,948	15,750,925	18,057,716
Energy Services	5,729,689	6,199,101	7,087,030	6,854,883	8,030,180
Material and Supplies	7,346,601	7,149,381	10,404,563	8,556,734	8,307,840
Capital Outlay	5,982,165	4,696,901	3,836,562	2,338,298	2,420,516
Other Expenditures	6,617,516	5,813,588	5,172,197	4,878,302	6,421,080
Total Expenditures	226,369,662	223,612,221	227,876,623	223,282,892	225,699,491
Excess (Deficiency) of Revenues Over Expenditures	1,205,041	(1,901,007)	4,115,139	(1,430,615)	2,180,036
Other Financing Sources (Uses) and Extraordinary Items, Net					
	590,613	891,157	(841,371)	(1,264,107)	745,819
Net Change in Fund Balances	1,795,654	(1,009,850)	3,273,768	(2,694,722)	2,925,855
Beginning Fund Balances	12,657,921	14,453,575	13,443,725	16,717,493	14,022,771
Ending Fund Balances	\$ 14,453,575	\$ 13,443,725	\$ 16,717,493	\$ 14,022,771	\$ 16,948,626
Breakdown of Fund Balances:					
Reserved for Encumbrances	\$ 2,612,181	\$ 3,050,588	\$ 3,125,421	\$ 2,222,655	\$ 1,882,203
Reserved for State Categorical Programs	3,853,909	5,465,128	8,142,689	997,913	1,652,485
Reserved for Inventories				1,238,383	1,557,216
Reserved for Legal Restrictions					
Reserved for Other Purposes				1,732,707	1,344,288
Unreserved Fund Balances	7,987,485	4,928,009	5,449,383	7,831,113	10,512,434
Total Fund Balances	\$ 14,453,575	\$ 13,443,725	\$ 16,717,493	\$ 14,022,771	\$ 16,948,626
Unreserved Fund Balances to Expenditures	3.5285%	2.2038%	2.3914%	3.5073%	4.6577%

Source: District Records

		Fiscal Year Ending				
June 30, 2004		June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	
\$	1,280,899	\$ 1,294,911	\$ 923,300	\$ 1,152,581	\$ 1,183,926	
	392,036	415,085	453,665	417,065	409,098	
				774,897	479,909	
	<u>1,672,935</u>	<u>1,709,996</u>	<u>1,376,965</u>	<u>2,344,543</u>	<u>2,072,933</u>	
	1,470,881	1,530,427	1,461,179	1,630,119	1,330,938	
	473,977	457,910	1,925,915	1,072,281	722,936	
	<u>1,944,858</u>	<u>1,988,337</u>	<u>3,387,094</u>	<u>2,702,400</u>	<u>2,053,874</u>	
	131,516,738	126,838,697	139,867,238	123,195,784	119,465,949	
	4,989,038	5,109,994	5,228,544	5,432,193	5,272,821	
	292,962	292,946	293,265	292,671	270,706	
	26,188,897	33,566,532	42,949,749	67,516,508	72,989,150	
	1,977,606	2,261,868	1,964,953	1,586,871	1,880,022	
	24,009	24,183	24,100	24,000	24,366	
	<u>1,871,578</u>	<u>5,481,315</u>	<u>2,908,516</u>	<u>1,514,492</u>	<u>2,246,599</u>	
	<u>166,860,828</u>	<u>173,575,535</u>	<u>193,236,365</u>	<u>199,562,519</u>	<u>202,149,613</u>	
	63,387,027	69,965,606	65,457,064	81,045,039	85,413,366	
	399,730	916,057	2,531,032	2,787,991	1,670,605	
	<u>4,209,416</u>	<u>4,823,194</u>	<u>3,910,721</u>	<u>3,954,616</u>	<u>5,953,442</u>	
	<u>67,996,173</u>	<u>75,704,857</u>	<u>71,898,817</u>	<u>87,787,646</u>	<u>93,037,413</u>	
	<u>238,474,794</u>	<u>252,978,725</u>	<u>269,899,241</u>	<u>292,397,108</u>	<u>299,313,833</u>	
	147,476,069	160,361,976	167,083,890	179,553,401	190,474,042	
	49,953,573	51,376,161	51,996,419	58,021,054	59,837,414	
	16,185,449	28,757,660	25,417,185	25,902,383	26,772,419	
	9,082,941	10,389,053	11,672,236	11,880,296	13,255,550	
	8,488,709	10,046,297	10,514,935	9,764,556	11,127,609	
	2,212,705	9,535,374	25,510,874	26,947,899	9,897,268	
	<u>6,398,132</u>	<u>5,907,704</u>	<u>6,192,300</u>	<u>7,408,162</u>	<u>5,827,471</u>	
	<u>239,797,578</u>	<u>276,374,225</u>	<u>298,387,839</u>	<u>319,477,751</u>	<u>317,191,773</u>	
	<u>(1,322,784)</u>	<u>(23,395,500)</u>	<u>(28,488,598)</u>	<u>(27,080,643)</u>	<u>(17,877,940)</u>	
	<u>5,796,879</u>	<u>42,051,277</u>	<u>27,934,268</u>	<u>27,397,987</u>	<u>15,198,895</u>	
	4,474,095	18,655,777	(554,330)	317,344	(2,679,045)	
	<u>16,948,626</u>	<u>21,422,721</u>	<u>40,078,498</u>	<u>39,524,168</u>	<u>39,841,512</u>	
\$	<u>21,422,721</u>	\$ <u>40,078,498</u>	\$ <u>39,524,168</u>	\$ <u>39,841,512</u>	\$ <u>37,162,467</u>	
\$	2,831,554	\$ 20,015,372	\$ 12,727,760	\$ 11,191,867	\$ 2,352,701	
	3,983,729	1,559,107	3,391,398	5,202,838	4,293,074	
	1,390,954	1,205,985	1,319,469	1,356,364	1,422,407	
					4,267,982	
	3,135,501	1,757,006	1,381,969	1,608,877		
	<u>10,080,983</u>	<u>15,541,028</u>	<u>20,703,572</u>	<u>20,481,566</u>	<u>24,826,303</u>	
\$	<u>21,422,721</u>	\$ <u>40,078,498</u>	\$ <u>39,524,168</u>	\$ <u>39,841,512</u>	\$ <u>37,162,467</u>	
	<u>4.2040%</u>	<u>5.6232%</u>	<u>6.9385%</u>	<u>6.4110%</u>	<u>7.8269%</u>	

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SUMMARY OF REVENUES, EXPENDITURES (by Major Object),
AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	<u>June 30, 1999</u>	<u>June 30, 2000</u>	<u>Fiscal Year Ending June 30, 2001</u>	<u>June 30, 2002</u>	<u>June 30, 2003</u>
Federal Direct Sources:					
Miscellaneous Federal Direct	\$ 1,180,141	\$ 412,012	\$ 453,565	\$ 1,239,511	\$ 1,524,949
Total Federal Direct	<u>1,180,141</u>	<u>412,012</u>	<u>453,565</u>	<u>1,239,511</u>	<u>1,524,949</u>
Federal Through State Sources:					
Other Federal Through State Grants	16,989,728	19,200,711	22,799,815	23,946,484	26,410,829
Total Federal Through State Sources	<u>16,989,728</u>	<u>19,200,711</u>	<u>22,799,815</u>	<u>23,946,484</u>	<u>26,410,829</u>
Total Revenues	<u>18,169,869</u>	<u>19,612,723</u>	<u>23,253,380</u>	<u>25,185,995</u>	<u>27,935,778</u>
Expenditures: (by object)					
Salaries	7,875,922	9,557,936	10,458,090	11,679,048	12,852,156
Employee Benefits	3,101,931	3,403,843	4,006,902	4,177,579	4,365,521
Purchased Services	1,421,474	1,378,617	2,287,153	2,836,195	3,289,273
Energy Services	284	348	1,331	245	211
Material and Supplies	1,120,481	1,208,903	1,180,909	1,332,283	1,584,232
Capital Outlay	2,716,672	2,248,061	2,887,802	2,912,945	3,847,603
Other Expenditures	1,976,398	1,809,522	2,440,287	2,241,300	1,998,682
Total Expenditures	<u>18,213,162</u>	<u>19,607,230</u>	<u>23,262,474</u>	<u>25,179,595</u>	<u>27,937,678</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(43,293)</u>	<u>5,493</u>	<u>(9,094)</u>	<u>6,400</u>	<u>(1,900)</u>
Other Financing Sources (Uses), Net	<u>53,589</u>				
Net Change in Fund Balances	<u>10,296</u>	<u>5,493</u>	<u>(9,094)</u>	<u>6,400</u>	<u>(1,900)</u>
Beginning Fund Balances	6,479	16,775	22,268	13,174	19,574
Ending Fund Balances	<u>\$ 16,775</u>	<u>\$ 22,268</u>	<u>\$ 13,174</u>	<u>\$ 19,574</u>	<u>\$ 17,674</u>

Source: District Records

		Fiscal Year Ending				
June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008		
\$ 1,371,359	\$ 480,964	\$ 311,763	\$ 187,403	\$ 292,410		
1,371,359	480,964	311,763	187,403	292,410		
28,995,539	31,204,838	35,133,404	32,346,156	29,024,655		
28,995,539	31,204,838	35,133,404	32,346,156	29,024,655		
30,366,898	31,685,802	35,445,167	32,533,559	29,317,065		
13,130,138	14,014,019	15,743,581	14,713,854	12,980,787		
4,790,861	4,764,814	5,240,037	5,054,632	4,345,499		
3,506,225	4,113,685	5,485,612	5,898,030	6,066,469		
502	22,632	38,886	1,658	1,735		
1,596,745	1,660,079	2,552,837	2,448,622	1,652,221		
4,665,010	4,354,247	3,927,614	2,307,647	1,861,682		
3,078,248	2,924,867	2,453,453	2,109,852	2,407,423		
30,767,729	31,854,343	35,442,020	32,534,295	29,315,816		
(400,831)	(168,541)	3,147	(736)	1,249		
554,427						
153,596	(168,541)	3,147	(736)	1,249		
17,674	171,270	2,729	5,876	5,140		
\$ 171,270	\$ 2,729	\$ 5,876	\$ 5,140	\$ 6,389		

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SUMMARY OF REVENUES, EXPENDITURES (by Major Object)
AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUND - FOOD SERVICE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending				
	<u>June 30, 1999</u>	<u>June 30, 2000</u>	<u>June 30, 2001</u>	<u>June 30, 2002</u>	<u>June 30, 2003</u>
Federal Through State Sources:					
Food Service and Donated Foods	\$ 10,512,545	\$ 10,362,925	\$ 10,512,735	\$ 10,943,800	\$ 10,795,273
State Sources:					
Food Services	494,290	463,069	453,094	475,314	460,022
Total State Sources	494,290	463,069	453,094	475,314	460,022
Local Sources:					
Food Service Sales	4,824,963	5,036,200	5,077,352	5,224,796	5,112,183
Interest Income and Other Sources	150,848	200,403	178,301	66,773	68,223
Total Local Sources	4,975,811	5,236,603	5,255,653	5,291,569	5,180,406
Total Revenues	<u>15,982,646</u>	<u>16,062,597</u>	<u>16,221,482</u>	<u>16,710,683</u>	<u>16,435,701</u>
Expenditures: (by object)					
Salaries	4,352,863	4,600,770	4,726,644	4,231,510	4,213,771
Employee Benefits	2,107,787	2,423,758	2,888,177	2,488,601	2,491,983
Purchased Services	444,263	905,188	390,496	301,409	634,500
Energy Services	3,057	4,296	137,751	132,482	145,510
Material and Supplies	6,890,148	6,408,297	7,093,928	7,188,960	6,748,536
Capital Outlay	739,334	754,921	1,123,340	982,352	814,106
Other Expenditures	1,207,512	695,454	962,558	764,807	737,375
Total Expenditures	<u>15,744,964</u>	<u>15,792,684</u>	<u>17,322,894</u>	<u>16,090,121</u>	<u>15,785,781</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>237,682</u>	<u>269,913</u>	<u>(1,101,412)</u>	<u>620,562</u>	<u>649,920</u>
Other Financing Sources (Uses), Net	<u>55,444</u>	<u>19,263</u>			
Net Change in Fund Balances	293,126	289,176	(1,101,412)	620,562	649,920
Beginning Fund Balances	4,915,529	5,208,655	5,497,831	4,396,419	5,016,981
Ending Fund Balances	<u>\$ 5,208,655</u>	<u>\$ 5,497,831</u>	<u>\$ 4,396,419</u>	<u>\$ 5,016,981</u>	<u>\$ 5,666,901</u>

Source: District Records

Fiscal Year Ending				
June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008
\$ 11,124,757	\$ 11,355,676	\$ 11,318,091	\$ 11,671,717	\$ 11,410,831
430,611	401,547	377,827	379,559	372,236
430,611	401,547	377,827	379,559	372,236
5,238,245	5,088,795	5,833,058	6,104,082	5,901,164
84,515	166,200	294,865	348,506	122,717
5,322,760	5,254,995	6,127,923	6,452,588	6,023,881
16,878,128	17,012,218	17,823,841	18,503,864	17,806,948
4,220,401	4,342,695	4,436,365	4,606,343	4,593,503
2,574,455	2,483,332	2,418,154	2,527,340	2,452,205
635,100	735,201	644,944	836,673	662,948
186,922	224,013	205,765	218,074	237,012
7,319,008	7,699,579	7,816,491	8,395,097	8,379,362
419,066	207,240	1,378,702	802,153	1,211,713
1,271,869	1,273,628	1,076,308	1,001,329	1,167,268
16,626,821	16,965,688	17,976,729	18,387,009	18,704,011
251,307	46,530	(152,888)	116,855	(897,063)
	191,372	172,032		
251,307	237,902	19,144	116,855	(897,063)
5,666,901	5,918,208	6,156,110	6,175,254	6,292,109
\$ 5,918,208	\$ 6,156,110	\$ 6,175,254	\$ 6,292,109	\$ 5,395,046

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SUMMARY OF REVENUES, EXPENDITURES (by Major Object),
AND CHANGES IN FUND BALANCES - DEBT SERVICE FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)**

	Fiscal Year Ending				
	June 30, 1999	June 30, 2000	June 30, 2001	June 30, 2002	June 30, 2003
State Sources:					
CO&DS withheld for SBE/COBI Bonds	\$ 1,406,677	\$ 1,401,965	\$ 1,395,847	\$ 1,375,490	\$ 1,382,986
SBE/COBI Bond Interest	13,734	16,975	15,167	7,664	2,949
Total State Sources	<u>1,420,411</u>	<u>1,418,940</u>	<u>1,411,014</u>	<u>1,383,154</u>	<u>1,385,935</u>
Local Sources:					
Ad Valorem Taxes					
Interest Income and Others	25,465	38,583	34,510	114,722	7,367
Total Local Sources	<u>25,465</u>	<u>38,583</u>	<u>34,510</u>	<u>114,722</u>	<u>7,367</u>
Total Revenues	<u>1,445,876</u>	<u>1,457,523</u>	<u>1,445,524</u>	<u>1,497,876</u>	<u>1,393,302</u>
Expenditures: (by object)					
Debt Service:					
Principal	2,270,767	2,510,078	3,627,184	20,482,955	4,720,000
Interest and Fiscal Charges	4,852,481	5,094,800	5,549,155	5,683,471	4,312,035
Total Expenditures	<u>7,123,248</u>	<u>7,604,878</u>	<u>9,176,339</u>	<u>26,166,426</u>	<u>9,032,035</u>
Deficiency of Revenues Over Expenditures	<u>(5,677,372)</u>	<u>(6,147,355)</u>	<u>(7,730,815)</u>	<u>(24,668,550)</u>	<u>(7,638,733)</u>
Other Financing Sources (Uses), Net	<u>5,692,623</u>	<u>6,170,908</u>	<u>8,129,347</u>	<u>24,606,264</u>	<u>7,863,903</u>
Net Change in Fund Balances	15,251	23,553	398,532	(62,286)	225,170
Beginning Fund Balances	520,495	535,746	559,299	957,831	895,545
Ending Fund Balances	<u>\$ 535,746</u>	<u>\$ 559,299</u>	<u>\$ 957,831</u>	<u>\$ 895,545</u>	<u>\$ 1,120,715</u>

Source: District Records

Fiscal Year Ending				
June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008
\$ 1,398,835	\$ 1,414,448	\$ 1,409,332	\$ 1,384,081	\$ 1,270,660
2,903	2,747	10,233	8,977	10,945
<u>1,401,738</u>	<u>1,417,195</u>	<u>1,419,565</u>	<u>1,393,058</u>	<u>1,281,605</u>
3,786	13,889	50,612	164,684	122,066
<u>3,786</u>	<u>13,889</u>	<u>50,612</u>	<u>164,684</u>	<u>122,066</u>
<u>1,405,524</u>	<u>1,431,084</u>	<u>1,470,177</u>	<u>1,557,742</u>	<u>1,403,671</u>
5,500,000	7,330,000	3,150,000	3,461,133	3,383,820
<u>4,068,456</u>	<u>3,735,344</u>	<u>2,831,106</u>	<u>3,269,333</u>	<u>3,050,837</u>
<u>9,568,456</u>	<u>11,065,344</u>	<u>5,981,106</u>	<u>6,730,466</u>	<u>6,434,657</u>
(8,162,932)	(9,634,260)	(4,510,929)	(5,172,724)	(5,030,986)
<u>8,286,398</u>	<u>9,013,475</u>	<u>6,802,802</u>	<u>7,000,019</u>	<u>5,000,000</u>
123,466	(620,785)	2,291,873	1,827,295	(30,986)
<u>1,120,715</u>	<u>1,244,181</u>	<u>623,396</u>	<u>2,915,269</u>	<u>4,742,564</u>
<u>\$ 1,244,181</u>	<u>\$ 623,396</u>	<u>\$ 2,915,269</u>	<u>\$ 4,742,564</u>	<u>\$ 4,711,578</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SUMMARY OF REVENUES, EXPENDITURES (by Major Object),
AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending				
	June 30, 1999	June 30, 2000	June 30, 2001	June 30, 2002	June 30, 2003
REVENUES					
State Sources:					
CO&DS Distributed to District	\$ 178,365	\$ 174,590	\$ 179,921	\$ 201,065	\$ 205,043
Interest on Undistributed CO&DS	39,437	27,811	34,611	36,236	30,724
Public Education Capital Outlay	3,383,688	1,499,000	7,680,003	7,048,061	3,709,360
Classroom First Program	16,200,000	1,745,268	1,193,641		
School Infrastructure Trust	1,258,400				
Effort Index				4,788,867	
Class Size Reduction					
State Grants and Other State Sources		177,909			
Total State Sources	21,059,890	3,624,578	9,088,176	12,074,229	3,945,127
Local Sources:					
District School Ad Valorem Taxes	13,555,586	14,151,404	15,479,995	16,790,984	17,457,807
Sales Taxes	15,849,073	16,511,353	15,540,007	16,816,616	17,349,378
Interest Income and Others	1,876,882	2,685,210	3,261,246	1,383,784	794,161
Local Grants and Other Local Sources	5,657	96,941	7,475	2,566	18,119
Total Local Sources	31,287,198	33,444,908	34,288,723	34,993,950	35,619,465
Total Revenues	52,347,088	37,069,486	43,376,899	47,068,179	39,564,592
Expenditures: (by object)					
Capital Outlay:					
Library Books			48,783	112,650	44,667
Audio Visual Materials			6,051		
Buildings and Fixed Equipment	10,696,847	21,338,679	18,827,192	14,285,631	20,235,844
Furniture, Fixtures, and Equipment	2,381,229	3,412,749	3,412,079	4,493,976	4,032,205
Motor Vehicles	1,598,960	1,816,053	2,305,599	2,156,482	1,700,060
Land	409,306	36,648	5,000	304,382	60,910
Improvements Other Than Buildings	987,655	685,977	654,483	2,317,046	1,439,344
Remodeling and Renovations	8,941,726	12,836,103	18,246,974	21,785,503	20,900,222
Computer Software	2,715	15,281	15,860	359,879	84,048
Debt Service	82,950	96,075	94,378	71,925	1,229,862
Total Expenditures	25,101,388	40,237,565	43,616,399	45,887,474	49,727,162
Excess (Deficiency) of Revenues Over Expenditures	27,245,700	(3,168,079)	(239,500)	1,180,705	(10,162,570)
Other Financing Sources (Uses), Net	(5,967,819)	3,613,638	2,830,109	(5,048,893)	(8,043,141)
Net Change in Fund Balances	21,277,881	445,559	2,590,609	(3,868,188)	(18,205,711)
Beginning Fund Balances	43,750,714	65,028,595	65,474,154	68,064,763	64,196,575
Ending Fund Balances	\$ 65,028,595	\$ 65,474,154	\$ 68,064,763	\$ 64,196,575	\$ 45,990,864

Source: District Records

Fiscal Year Ending				
June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008
\$ 181,262	\$ 175,119	\$ 171,673	\$ 191,946	\$ 321,739
15,322	19,783	20,236	39,316	37,164
3,746,833	4,215,818	4,200,190	5,493,269	6,231,986
4,385,854	969,616	660,491	6,995,090	4,061,135
				596,216
8,329,271	5,380,336	5,052,590	12,719,621	11,248,240
18,720,521	21,828,681	21,702,809	27,507,116	29,869,892
18,321,536	22,265,741	22,770,190	21,969,232	20,655,828
592,428	1,210,270	3,096,002	4,672,099	3,320,999
500,000	119,102	76,599	128,109	18,983
38,134,485	45,423,794	47,645,600	54,276,556	53,865,702
46,463,756	50,804,130	52,698,190	66,996,177	65,113,942
50,023				
6,556,242	6,907,055	2,229,307	8,079,252	11,680,546
4,410,598	2,393,435	4,441,863	4,075,877	5,298,861
2,793,707	3,163,734	2,204,470	4,143,409	1,848
52,603				85,346
1,642,127	1,139,642	539,171	563,825	2,561,012
14,568,783	13,918,452	9,101,748	16,630,143	17,727,500
	101,232			
5,868	2,886		861	6,084
30,079,951	27,626,436	18,516,559	33,493,367	37,361,197
16,383,805	23,177,694	34,181,631	33,502,810	27,752,745
(13,294,743)	(13,993,535)	(12,851,686)	(14,216,452)	(14,099,441)
3,089,062	9,184,159	21,329,945	19,286,358	13,653,304
45,990,864	49,079,926	58,264,085	79,594,030	98,880,388
<u>\$ 49,079,926</u>	<u>\$ 58,264,085</u>	<u>\$ 79,594,030</u>	<u>\$ 98,880,388</u>	<u>\$ 112,533,692</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

Fiscal Year Ending	Property Tax		Sales Tax	Total
	General Purposes	Capital Projects		
June 30, 2008	\$ 85,413,366	\$ 29,869,892	\$ 20,655,828	\$ 135,939,086
June 30, 2007	81,045,039	27,507,116	21,969,232	130,521,387
June 30, 2006	65,457,064	21,702,808	22,770,190	109,930,062
June 30, 2005	69,965,606	21,828,681	22,265,741	114,060,028
June 30, 2004	63,387,027	18,720,521	18,321,536	100,429,084
June 30, 2003	60,456,419	17,457,807	17,349,378	95,263,604
June 30, 2002	58,641,483	16,790,983	16,816,616	92,249,082
June 30, 2001	56,078,618	15,479,995	15,540,007	87,098,620
June 30, 2000	49,600,771	14,151,404	16,511,353	80,263,528
June 30, 1999	51,211,089	13,555,586	15,849,073	80,615,748

Source: District Records

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(amounts expressed in thousands)
(Unaudited)

Fiscal Year	Assessed Value				Less: Exemptions	Total Taxable Value	Ratio of Taxable Value to Assessed Value	Total Direct Rate
	Real Property	Personal Property	Centrally Assessed Property	Total Assessed Value				
2007-08	\$ 26,716,632	\$ 2,361,421	\$ 21,134	\$ 29,099,187	\$13,148,156	\$ 15,951,031	54.82%	7.720
2006-07	24,459,300	2,374,054	18,447	26,851,801	12,025,873	14,825,928	55.21%	7.894
2005-06	18,226,317	2,175,889	17,849	20,420,055	8,806,171	11,613,884	56.87%	8.033
2004-05	17,167,533	2,148,921	24,542	19,340,996	7,678,231	11,662,765	60.30%	8.410
2003-04	14,727,904	2,083,218	25,608	16,836,730	7,061,078	9,775,652	58.06%	8.788
2002-03	13,632,391	1,942,602	18,318	15,593,311	6,492,804	9,100,507	58.36%	8.887
2001-02	13,106,468	1,870,758	16,822	14,994,048	6,351,990	8,642,058	57.64%	8.986
2000-01	12,428,794	1,952,344	19,934	14,401,072	6,355,814	8,045,258	55.87%	9.249
1999-00	11,314,784	1,886,144	22,195	13,223,123	5,872,045	7,351,078	55.59%	9.011
1998-99	11,046,577	1,864,294	21,404	12,932,275	5,898,996	7,033,279	54.39%	9.556

Notes: Assessed values approximate estimated actual values.
Tax rates per \$1,000 of assessed value.

Source: Escambia County Property Appraiser and Florida Department of Revenue

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(per \$1,000 Assessed Valuation)
(Unaudited)

	Fiscal Year			
	1998-99	1999-00	2000-01	2001-02
Direct Rates:				
District School Board:				
Local Required Effort	6.796	6.251	6.489	6.226
Discretionary Local	0.510	0.510	0.510	0.510
Supplemental Discretionary	0.250	0.250	0.250	0.250
Capital Improvement	2.000	2.000	2.000	2.000
Total District School Board	9.556	9.011	9.249	8.986
Overlapping Rates:				
Escambia County	8.756	8.756	8.756	8.756
Escambia County Municipal Service Taxing Unit	0.495	0.747	0.747	0.747
City of Pensacola	5.057	5.057	5.057	5.057
City of Pensacola Downtown Improvement Board	2.000	2.000	2.000	2.000
Northwest Florida Water Management	0.050	0.050	0.050	0.050
Town of Century	1.091	1.086	1.031	0.998

Source: Escambia County Tax Collector

Fiscal Year					
2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
6.127	6.049	5.694	5.273	5.134	4.960
0.510	0.510	0.510	0.510	0.510	0.510
0.250	0.229	0.206	0.250	0.250	0.250
2.000	2.000	2.000	2.000	2.000	2.000
8.887	8.788	8.410	8.033	7.894	7.720
8.756	8.756	8.756	8.756	8.756	8.017
0.747	0.747	0.747	0.747	0.747	0.685
5.057	5.057	5.057	5.057	4.950	4.598
1.000	2.000	2.000	2.000	2.000	2.000
0.050	0.050	0.050	0.050	0.050	0.045
0.981	0.941	0.828	0.861	0.764	0.781

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO
(amounts expressed in thousands)
(Unaudited)

	Fiscal Year					
	2007-08			1998-99		
Taxpayer	Rank	Assessed Value	Percentage of Total Assessed Value	Rank	Assessed Value	Percentage of Total Assessed Value
Gulf Power Company	1	\$ 430,309	2.70%	1	\$ 358,608	5.10%
International Paper Company	2	405,283	2.54%	2	197,772	2.81%
Solutia, Inc.	3	181,139	1.14%	3	196,180	2.79%
Sacred Heart Health System	4	172,411	1.08%			
Baptist Health Care	5	158,858	1.00%			
City of Pensacola	6	128,432	0.81%			
Pensacola Christian College	7	122,455	0.77%			
Bell South Telecommunication	8	99,868	0.63%	4	119,240	1.70%
West Florida Regional Medical Center	9	95,182	0.60%	5	42,181	0.60%
WCI Communities Inc.	10	73,460	0.46%			
Huntsman Specialty Chemical				6	37,332	0.53%
Westinghouse Electric Corporation				7	34,525	0.49%
Simon Debartolo/Simon Property				8	28,642	0.41%
Escambia Housing Corporation				9	28,233	0.40%
Armstrong World Industries				10	27,686	0.39%
Totals		\$ 1,867,397	11.73%		\$ 1,070,399	15.22%

Source: Escambia County Tax Roll compiled by the Escambia County Property Appraiser and tangible personal property records on file in the Escambia County Tax Collector's office.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Total Tax Levy	Collected to End of Tax Year		Delinquent Collections (1)	Collected in Fiscal Year	
		Current Tax Collections (1)	Percent of Levy		Total Collections (1)	Percent of Levy
2007-08	\$ 123,128,068	\$ 113,579,256	92.24%	\$ 1,704,002	\$ 115,283,258	93.63%
2006-07	117,027,107	107,994,392	92.28%	557,763	108,552,155	92.76%
2005-06	93,284,933	86,860,563	93.11%	299,309	87,159,872	93.43%
2004-05	97,736,698	89,794,940	91.87%	1,999,347	91,794,287	93.92%
2003-04	85,893,371	81,307,409	94.66%	800,139	82,107,548	95.59%
2002-03	80,859,383	77,412,114	95.74%	502,112	77,914,226	96.36%
2001-02	77,644,471	Not Available	Not Available	Not Available	75,432,466	97.15%
2000-01	74,405,047	Not Available	Not Available	Not Available	71,558,613	96.17%
1999-00	66,235,273	Not Available	Not Available	Not Available	63,752,175	96.25%
1998-99	67,205,151	Not Available	Not Available	Not Available	64,766,675	96.37%

Note: Property Taxes become due and payable on November 1st of each year. A four percent (4%) discount is allowed if taxes are paid in November, with the discounts declining by one percent (1%) each month thereafter. Accordingly, taxes collected will never be 100% of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1st of each year. Accordingly, majority of taxes are collected in the fiscal year levied.

(1) Net of allowable discounts

Source: Escambia County Tax Collector

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Governmental Activities (A)					Percentage of Personal Income (B)	Per Capita (B)
	Notes Payable	State Board of Education Bonds	Certificates of Participation	Capital Leases	Total Primary Government		
2007-08	\$ -	\$ 10,233,673	\$ 53,536,829	\$ 2,024,988	\$ 65,795,490	0.944%	\$ 222
2006-07		9,764,305	56,131,879	3,076,029	68,972,213	0.756%	233
2005-06		9,240,982	58,719,369	4,070,281	72,030,632	0.824%	244
2004-05		11,532,666	60,195,842	5,397,412	77,125,920	0.920%	261
2003-04	4,050,000	12,007,890	60,780,000	6,725,619	83,563,509	1.049%	282
2002-03	6,700,000	12,055,000	62,840,000	7,486,257	89,081,257	1.180%	299
2001-02	8,575,000	12,845,000	64,900,000	9,842,219	96,162,219	1.308%	323
2000-01	9,500,000	13,555,000	66,135,000	9,420,188	98,610,188	1.374%	332
1999-00	264,284	14,210,000	67,730,000	10,179,900	92,384,184	1.348%	314
1998-99	516,535	14,835,000	69,235,000	463,158	85,049,693	1.315%	289

Note: The primary government does not have any outstanding debt for business-type activities.

Source:

(A) District Records

(B) Total Primary Government Debt divided by Personal Income and Population from Page 156.

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
 ANTICIPATED CAPITAL OUTLAY MILLAGE LEVY
 REQUIRED TO COVER CERTIFICATES OF PARTICIPATION PAYMENTS
 LAST TEN FISCAL YEARS
 (Unaudited)**

Fiscal Year	Taxable Assessed Value (A)	Annual Lease Payment	Millage Levy to Provide 1.00x Coverage (B)
2007-08	\$ 15,951,031	\$ 5,108,002	.34 Mills
2006-07	14,825,928	5,205,952	.37 Mills
2005-06	11,613,884	4,543,929	.41 Mills
2004-05	11,662,765	5,068,083	.46 Mills
2003-04	9,775,652	5,206,808	.56 Mills
2002-03	9,100,507	5,279,878	.61 Mills
2001-02	8,642,058	5,224,045	.64 Mills
2000-01	8,045,258	5,397,924	.71 Mills
1999-00	7,351,078	5,403,070	.77 Mills
1998-99	7,033,279	5,406,233	.81 Mills

(A) Assessed Value is in Thousands.

(B) Millage rate calculated using 95% of the taxable assessed valuation.

Note: Capital lease arrangements financed by Certificates of Participation are not considered general obligation debt as no specific property tax levy has been pledged.

Source: District Records

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS
 (Unaudited)**

Fiscal Year	Population (A)	Personal Income	Per Capita Personal Income (A)	Median Age (A)	Unemployment Rate (B)
2007-08	295,998	\$ 6,970,752,900	\$ 23,550	36.80	5.5%
2006-07	295,740	9,119,734,380	30,837	36.90	3.8%
2005-06	295,682	8,745,682,196	29,578	37.40	3.4%
2004-05	295,624	8,387,148,504	28,371	36.60	3.6%
2003-04	295,939	7,964,606,307	26,913	36.00	3.5%
2002-03	297,596	7,551,796,096	25,376	35.00	4.0%
2001-02	297,539	7,349,808,378	24,702	35.40	3.8%
2000-01	297,224	7,174,987,360	24,140	35.40	3.8%
1999-00	294,345	6,852,057,255	23,279	35.10	3.5%
1998-99	293,956	6,467,325,956	22,001	34.80	3.6%

Note: Governmental Expense was not calculated until fiscal year ending June 30, 2002 with the implementation of GASB Statement No. 34.

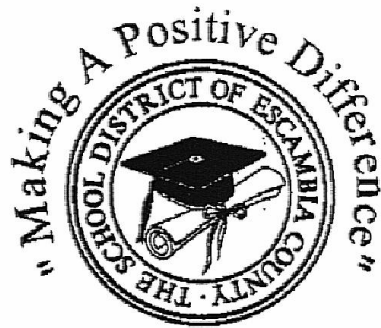
Sources:

(A) Population, Personal Income, & Per Capita Personal Income were obtained from the United States Department of Commerce, Bureau of Economic Analysis and the University of Florida, Bureau of Economic and Business Research.

(B) Unemployment Rates were obtained from Florida Agency for Workforce Innovation, Office of Workforce Information Services, Labor Market Statistics

(C) Student Enrollment was obtained from District Records

Student Enrollment (C)	Government-wide Governmental Activities Expenses	Cost per Student
41,077.67	\$ 398,777,831	\$ 9,708
42,025.33	396,835,468	9,443
42,590.86	371,154,107	8,714
42,994.68	347,090,419	8,073
43,054.84	317,892,430	7,383
42,854.79	310,621,547	7,248
43,314.34	303,953,487	7,017
43,507.73	Not Available	Not Available
43,408.75	Not Available	Not Available
43,938.91	Not Available	Not Available



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**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
PRINCIPAL EMPLOYERS**

**CURRENT AND NINE YEARS AGO
(Unaudited)**

Employer	Fiscal Year					
	2007-08 (1)			1998-99 (1)		
	Employees	Rank	Percentage of Employment	Employees	Rank	Percentage of Employment
Local Government	15,790	1	7.748%	10,857	1	6.357%
Federal Government	7,403	2	3.633%	7,153	2	4.188%
State of Florida	5,970	3	2.930%	4,759	4	2.786%
Sacred Heart Health System	5,000	4	2.454%	2,364	5	1.384%
Baptist Health Care	3,163	5	1.552%	5,000	3	2.927%
Lakeview Center	2,000	6	0.981%	1,300	8	0.761%
Gulf Power Company	1,400	7	0.687%	1,523	6	0.892%
Solutia, Inc.	1,400	7	0.687%	1,500	7	0.878%
West Florida Hospital	1,300	8	0.638%	1,500	7	0.878%
University of West Florida	1,231	9	0.604%			
Navy Federal Credit Union	1,200	10	0.589%			
Medical Center Clinic				1,127	9	0.660%
International Paper Company				1,110	10	0.650%
Totals	45,857		22.503%	38,193		22.361%

(1) Source: Pensacola Chamber of Commerce

(<http://www.pensacolachamber.com/economicdevelopment/workforce.html>)

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA
LAST TEN FISCAL YEARS
(Unaudited)

	Placed in Service ⁽¹⁾	Square Footage ⁽²⁾	Portables	Full-Time Equivalent Enrollment Data		
				1998-99	1999-00	2000-01
Elementary Schools/K-8						
Allen Elementary	1956	69,685	7	770.80	759.02	765.10
Barrineau Park Elementary	1938	9,840	10	236.60	226.30	233.90
Bellview Elementary	1950	61,040	13	754.63	752.16	750.76
Beulah Elementary	1980	74,634	11	613.02	595.50	588.90
Bibbs Elementary	1962	57,876	2	399.07	339.20	365.43
Blue Angels Elementary	1999	110,540	4			722.82
Bratt Elementary	1980	53,642	3	404.18	377.19	377.60
Brentwood Elementary	1937	60,107	7	516.38	439.66	386.74
Byrneville Elementary	1940	310	9	189.14	188.56	168.64
Caro Elementary	1989	96,222	8	1,320.36	1,390.20	750.80
Carver/Century K-8	1958	61,793	1			
Century Elementary	1958	31,663	4	265.06	265.32	232.38
Cook Elementary	1997	114,396		597.00	619.20	618.04
Cordova Park Elementary	1962	76,577	11	574.64	567.00	534.24
Dixon Elementary	1954	45,495		456.90	349.00	373.80
Edgewater Elementary	1962	51,663	2	500.23	565.93	544.36
Ensley Elementary	1959	56,909	8	557.71	574.48	521.60
Ferry Pass Elementary	1957	77,426	11	667.18	610.50	646.20
Hallmark Elementary	1928	36,993	3	337.90	316.89	300.56
Holm Elementary	1999	85,111	3	625.36	636.17	639.15
Lincoln Park Elementary	1961	51,283	2	377.00	381.60	391.28
Lipscomb Elementary	1991	107,268	13	772.30	790.70	804.56
Longleaf Elementary	1975	73,012	3	770.30	767.60	718.61
McArthur Elementary	1975	76,520	11	628.39	607.04	621.94
Molino Elementary	1939	25,851		217.05	239.49	227.83
Molino Park Elementary	2002	110,955				
Montclair Elementary	1960	57,562		640.37	631.40	630.81
Myrtle Grove Elementary	1936	71,977	8	675.14	673.77	669.42
Navy Point Elementary	1954	71,064		622.69	626.04	564.14
Oakcrest Elementary	1956	63,236	12	605.52	559.61	621.93
Pensacola Beach Elementary	1977	10,310		131.40	123.90	132.32
Pine Meadow Elementary	1960	75,942	10	787.98	806.00	739.52
Pleasant Grove Elementary	1948	51,274	11	520.37	501.13	498.93
Scenic Heights Elementary	1960	72,531	10	896.10	863.20	853.10
Semmes Elementary	1955	60,009	1	701.50	636.64	557.36
Sherwood Elementary	1958	66,651	1	660.76	674.24	639.26
Suter Elementary	1921	36,786	7	275.46	270.94	258.07
Warrington Elementary	1947	60,684	7	557.95	559.76	487.00
Weis Elementary	1990	93,026		754.91	679.63	642.94
West Pensacola Elementary	1955	66,535	5	573.99	571.22	571.50
Ynuestra Elementary	1938	39,600	8	370.43	352.02	333.58
Total Elementary Schools			226	21,325.77	20,888.21	20,485.12
Middle Schools						
Bailey Middle School	1993	167,607	12	1,342.06	1,397.78	1,382.59
Bellview Middle School	1961	128,472	9	1,076.33	1,008.46	1,064.76
Brentwood Middle School	1955	88,445	7	738.60	672.60	666.30
Brown Barge Middle School ⁽⁴⁾	1955	88,445	1	508.80	510.82	502.30
Brownsville Middle School	1955	106,664		894.05	924.63	887.36
Carver Middle School	1935	54,870		178.53	164.63	178.52
Ferry Pass Middle School	1961	110,909	5	959.29	990.50	1,050.30
Ransom Middle School	1987	144,094	17	1,446.85	1,453.92	1,457.50
Ward Middle School	1945	76,655	2	201.52	212.50	229.90
Warrington Middle School	1953	112,790	6	753.41	782.90	774.18
Wedgewood Middle School	1964	85,650		728.20	739.50	726.90
Woodham Middle School	1964	215,596				
Workman Middle School	1962	115,126	10	853.85	801.10	870.80
Total Middle Schools			69	9,681.49	9,659.34	9,791.41

Full-Time Equivalent Enrollment Data

<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
734.94	602.20	596.64	613.09	618.52	617.09	633.18
236.30	231.30					
749.80	740.52	745.70	699.93	685.92	743.83	762.67
606.02	608.54	611.20	667.95	734.86	700.59	724.57
325.92	437.44	417.42	398.04	399.58	382.90	344.17
739.34	754.14	755.22	853.07	868.08	827.43	815.10
347.78	353.41	358.58	364.18	396.63	386.22	394.02
417.90	477.96	463.05	492.61	587.61	530.61	450.24
171.98						
785.66	851.44	926.80	891.01	887.40	879.56	864.49
	365.74	348.40	374.45	335.40	264.63	203.75
229.74						
702.01	711.23	693.42	648.74	555.05	591.80	588.18
546.98	526.49	514.85	574.30	642.20	625.75	673.04
331.50						
513.14	491.35	429.00	395.52	383.38	360.03	350.82
498.38	496.36	451.65	469.49	436.56	363.17	374.90
603.70	588.39	607.96	617.92	653.90	673.44	646.94
317.27	300.54	271.53	278.05	263.86	239.50	241.43
624.78	626.67	644.60	623.70	614.43	556.81	550.19
382.72	401.90	403.16	387.02	331.53	334.74	279.94
828.60	809.40	837.98	860.09	849.01	871.98	950.12
680.70	669.94	665.02	633.21	680.08	769.00	802.02
623.40	590.64	619.68	668.64	719.04	712.59	719.12
208.35	220.48					
		448.20	470.12	485.88	459.84	463.95
566.36	491.30	459.12	469.17	425.22	296.56	321.92
672.84	665.76	669.00	652.99	633.39	640.92	679.32
510.06	506.13	493.12	456.96	406.44	393.96	384.27
596.12	484.68	492.27	454.23	471.65	430.76	447.43
127.20						
716.12	717.76	719.78	724.56	752.94	796.95	780.37
514.62	558.52	574.92	562.84	602.22	620.28	658.23
778.02	742.40	740.80	756.14	787.13	743.78	694.10
501.56	403.62	395.48	382.78	330.71	310.06	286.23
593.60	552.22	543.74	515.51	529.47	530.79	524.10
262.48	265.58	273.78	306.31	315.75	354.70	381.17
468.68	513.07	493.38	470.16	471.28	442.65	392.79
610.34	630.85	626.12	573.82	555.32	516.72	548.52
587.02	558.40	564.06	511.51	476.21	481.45	461.44
325.64	328.29	327.24	310.55	332.13	404.08	281.97
<u>20,037.57</u>	<u>19,274.66</u>	<u>19,182.87</u>	<u>19,128.66</u>	<u>19,218.78</u>	<u>18,855.17</u>	<u>18,674.70</u>
1,449.74	1,476.97	1,618.06	1,649.50	1,566.28	1,528.66	1,504.05
1,109.03	1,152.21	1,179.70	1,169.18	1,106.20	1,134.80	1,192.10
760.60	817.80	878.90	885.04	869.20	818.79	
494.62	500.22	511.30	512.60	501.00	509.00	631.00
891.69	767.36	733.07	740.50	605.70	524.30	
180.50						
1,067.46	1,014.20	1,003.91	977.70	899.70	899.43	880.80
1,503.78	1,487.80	1,435.80	1,473.10	1,447.88	1,403.11	1,365.31
239.20	333.60	407.50	392.05	383.50	443.00	458.50
774.39	815.30	838.30	796.06	721.50	617.20	892.00
733.10	723.60	713.30	663.90	541.00	555.60	
						1,012.60
869.66	906.62	905.81	898.10	827.90	788.13	850.02
<u>10,073.77</u>	<u>9,995.68</u>	<u>10,225.65</u>	<u>10,157.73</u>	<u>9,469.86</u>	<u>9,222.02</u>	<u>8,786.38</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHOOL BUILDING INFORMATION & FULL-TIME EQUIVALENT ENROLLMENT DATA
LAST TEN FISCAL YEARS
(Unaudited)

	Placed in Service ⁽¹⁾	Square Footage ⁽²⁾	Portables	Full-Time Equivalent Enrollment Data		
				1998-99	1999-00	2000-01
High Schools						
Escambia High School	1958	229,995	9	1,924.78	1,917.10	1,897.37
West Florida High School of Advanced Technology	1967	338,380	6	64.89	80.30	66.83
Northview High School	1993	135,153		482.95	456.70	470.50
Pensacola High School	1949	262,729	6	1,761.21	1,690.70	1,692.59
Pine Forest High School	1974	220,462	15	1,641.47	1,629.44	1,611.04
Tate Senior High School	1950	284,413	2	2,097.23	2,169.54	2,177.18
Washington High School	1976	238,682	5	1,801.29	1,800.70	1,767.12
Woodham High School	1962	115,126	10	1,574.25	1,507.72	1,473.79
Total High Schools			53	11,348.07	11,252.20	11,156.42
Special Centers						
Judy Andrews Pre-K Center	1965	20,458		31.41	27.88	27.96
Clubbs Alternative Middle School	1938	32,064	2			174.50
Dixon Educational Center ⁽⁵⁾	1954	45,495		313.48	261.12	252.86
E-Seal Center	1992	40,127	5	116.37	129.09	136.96
Sid Nelson Community Learning	1956	56,836		21.82	24.11	25.53
McMillian Learning Center	1961	40,659	7	26.32	23.88	25.48
Program for Academically Talented Students (PATs)	1921	23,629	1	195.50	212.30	199.20
Petree Center	1962	15,512	5	30.58	41.67	36.60
George Stone Technical Center ⁽³⁾	1967	219,913	6			
Escambia Westgate Center	1979	96,305	5	195.31	189.50	195.00
OASIS High School Preparatory Academy	1965		4			
Total Special Centers			35	930.79	909.55	1,074.09
Other Programs						
District Administered Programs	n/a	n/a	n/a	68.22	72.47	76.71
Escambia County Jail	n/a	n/a	n/a	0.46	1.50	0.17
Escambia Juvenile Justice Center	n/a	n/a	n/a	100.41	33.48	73.51
Hospital & Homebound	n/a	n/a	n/a	20.25	25.57	23.54
Drug and Alcohol Residential Treatment Center (DAART)	n/a	n/a	n/a	17.33	18.00	16.50
Lakeview Center	n/a	n/a	n/a	46.00	47.50	46.50
Pensacola Boys Base	n/a	n/a	n/a	28.00	17.01	30.00
Escambia Bay Marine	n/a	n/a	n/a	50.03	28.77	61.50
Outward Bound	n/a	n/a	n/a	35.01	17.75	30.00
PACE Center for Girls	n/a	n/a	n/a	40.43	23.72	45.50
McKay Scholarships	n/a	n/a	n/a			
Opportunity Scholarships	n/a	n/a	n/a		54.48	85.34
Total Other Programs				406.14	340.25	489.27
Charter Schools						
Beulah Academy of Science	n/a	n/a	n/a	99.42	123.53	141.42
Byrneville Elementary Charter School	n/a	n/a	n/a			
Capstone Academy	n/a	n/a	n/a			
Escambia Charter School	n/a	n/a	n/a	147.23	141.17	144.50
Dr. Ruby J. Gainer School for Reaching Your Dream	n/a	n/a	n/a			126.00
Gulf Coast Charter School	n/a	n/a	n/a		94.50	99.50
Jacqueline Harris Preparatory Academy	n/a	n/a	n/a			
Life Skills Center	n/a	n/a	n/a			
Pensacola Beach Elementary Charter School	n/a	n/a	n/a			
Total Charter Schools				246.65	359.20	511.42
Total District				43,938.91	43,408.75	43,507.73

⁽¹⁾ Original date that the school was placed in service. This date does not reflect additions, renovations, replacements or remodeling.

⁽²⁾ Square footage is current, but does not include portables.

⁽³⁾ The George Stone Center houses adult programs which do not generate Full Time Enrollment (FTE).

⁽⁴⁾ Brown-Barge moved to the former Brentwood Middle facility in 2007-08.

⁽⁵⁾ Dixon Educational Center moved to the former Judy Andrews facility in 2006-07 and the name was changed to Judy Andrews Center.

Source: District Records

Full-Time Equivalent Enrollment Data

2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
1,852.73	1,652.24	1,670.17	1,691.66	1,683.69	1,743.04	1,920.58
383.89	661.83	955.95	1,224.82	1,244.51	1,245.00	1,284.46
437.74	496.53	505.83	520.98	545.97	558.33	551.61
1,625.34	1,712.09	1,621.61	1,547.76	1,509.07	1,404.95	1,483.93
1,663.99	1,564.42	1,515.58	1,478.21	1,498.28	1,520.34	1,958.50
2,074.75	1,989.36	1,927.44	1,936.94	1,945.50	2,071.28	1,967.59
1,741.43	1,678.79	1,664.46	1,580.41	1,589.02	1,659.19	1,875.50
1,426.34	1,368.34	1,306.92	1,289.25	1,323.76	1,229.01	
<u>11,206.21</u>	<u>11,123.60</u>	<u>11,167.96</u>	<u>11,270.03</u>	<u>11,339.80</u>	<u>11,431.14</u>	<u>11,042.17</u>
26.86					42.50	47.50
142.50	173.50	173.00	177.00	156.00	122.00	146.50
110.97	184.00	190.00	180.50	166.50		
114.27	118.50	119.00	125.76	99.50	97.55	85.59
134.47	136.24	133.46	108.37	129.15	107.35	122.10
25.93	28.71	46.50	68.37	58.35	59.52	61.74
38.28						
194.50	197.70	197.48	206.13	223.50	223.64	221.16
				72.00	72.00	72.00
<u>787.78</u>	<u>838.65</u>	<u>859.44</u>	<u>866.13</u>	<u>905.00</u>	<u>724.56</u>	<u>756.59</u>
94.82	133.22	154.53	147.89	165.07	151.92	153.18
0.80	0.63	0.57	0.75	0.72	0.93	1.23
59.50	73.00	92.00	79.50	77.50	103.49	96.33
20.81	22.25	20.97	17.11	16.19	18.22	16.24
14.50	15.00	15.50	14.50	13.50	17.00	17.50
46.50	53.50	47.50	46.50	43.50	40.50	41.50
29.50	27.50	28.50	27.50	29.50	38.11	37.02
75.00	76.50	77.00	74.50	75.50	75.98	68.30
25.50	32.50	31.00	22.50	30.50	33.72	
45.50	42.50	45.00	44.00	47.50	61.30	63.30
		180.50	191.50	191.50	130.50	144.00
141.74	188.50	34.50	28.00	12.50		
<u>554.17</u>	<u>665.10</u>	<u>727.57</u>	<u>694.25</u>	<u>703.48</u>	<u>671.67</u>	<u>638.60</u>
159.50	161.20	165.80	188.40	216.30	225.50	239.20
	165.80	170.60	165.28	172.00	159.30	162.70
			4.00	5.44	10.00	13.50
162.00	145.50	137.65	110.50	120.00	108.50	121.50
82.92	102.00	127.00	134.00	117.00	118.51	109.88
106.92	96.50					
143.50	160.20	156.80	158.50	192.50	179.50	194.30
					204.01	213.29
	125.90	133.50	117.20	130.70	115.45	124.86
<u>654.84</u>	<u>957.10</u>	<u>891.35</u>	<u>877.88</u>	<u>953.94</u>	<u>1,120.77</u>	<u>1,179.23</u>
<u>43,314.34</u>	<u>42,854.79</u>	<u>43,054.84</u>	<u>42,994.68</u>	<u>42,590.86</u>	<u>42,025.33</u>	<u>41,077.67</u>

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
NUMBER OF PERSONNEL
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	(A) Instructional	(B) Administrative	(C) Support Services	Total	Ratio of Students (FTE) to Instructional Personnel	Ratio of Instructional Personnel to Administrators
2007-08	3,442	150	2,084	5,676	11.93	22.95
2006-07	3,421	152	2,192	5,765	12.28	22.51
2005-06	3,371	152	2,145	5,668	12.63	22.18
2004-05	3,301	148	2,128	5,577	13.02	22.30
2003-04	3,074	148	2,083	5,305	14.01	20.77
2002-03	3,050	164	2,102	5,316	14.05	18.60
2001-02	3,038	157	2,242	5,437	14.26	19.35
2000-01	3,097	166	2,328	5,591	14.05	18.66
1999-00	3,031	166	2,232	5,429	14.32	18.26
1998-99	3,084	176	2,277	5,537	14.25	17.52

- (A) Classroom Teachers, Guidance/Psychologists, Exceptional Education Teachers, Media Specialists
Other Professional Instructional Staff
- (B) Principals, Assistant Principals, Superintendent, Assistant Superintendent, Executive Directors
Directors, Managers, Coordinators
- (C) Paraprofessional, Bus Drivers, Monitors, Maintenance, Clerical, Etc.

Source: District Records

**DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
TEACHERS' SALARIES
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Minimum Range 10-Month Salary (a)	Maximum Range 10-Month Salary (a)	Average Teacher Salary
2007-08	\$32,000 - \$35,600	\$51,000 - \$54,600	\$41,551
2006-07	29,105 - 32,705	48,197 - 51,797	39,075
2005-06	27,878 - 31,478	46,631 - 50,231	37,402
2004-05	27,252 - 30,852	45,639 - 49,239	36,407
2003-04	26,626 - 30,226	44,647 - 48,247	34,286
2002-03	26,000 - 29,600	43,655 - 47,255	34,821
2001-02	25,300 - 28,900	41,976 - 45,576	33,849
2000-01	23,400 - 27,000	41,976 - 45,576	31,261
1999-00	23,000 - 26,600	41,976 - 45,576	31,682
1998-99	22,167 - 25,767	41,976 - 45,576	31,021

(a) Minimum and maximum salary ranges are based on the educational level of the employee. The starting amount represents a bachelor's degree and the ending amount represents an in-field doctorate degree. Employees may earn additional pay for the following degree levels: in-field masters (\$2,500); out-of-field masters (\$1,700); in-field specialist (\$3,100); out-of-field specialist (\$2,600); in-field doctorate (\$3,600); out-of-field doctorate (\$3,300). Employees may also receive additional compensation for working 11 or 12 months.

Source: Minimum & Maximum Salaries - District Records; Average Teacher Salaries - Florida Department of Education.

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
FOOD SERVICE OPERATING DATA
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year Ending			
	June 30, 1999	June 30, 2000	June 30, 2001	June 30, 2002
Days Meals were Served	180	180	180	180
Average Number of Free and Reduced Meals Served Daily	31,073	30,610	30,154	29,827
Number of Free and Reduced Meals Served	5,593,189	5,509,862	5,427,776	5,368,914
Average Daily Subsidy Received	\$ 56,454	\$ 57,264	\$ 57,082	\$ 58,513
Total Subsidy Received	\$ 10,161,715	\$ 10,307,517	\$ 10,274,705	\$ 10,532,370
Average Number of Meals Served Daily	38,996	38,301	37,618	36,739
Number of Meals Served	7,019,295	6,894,155	6,771,246	6,613,028
Average Daily Revenues	\$ 89,101	\$ 89,344	\$ 90,119	\$ 92,837
Total Revenues	\$ 16,038,090	\$ 16,081,860	\$ 16,221,482	\$ 16,710,683
Average Daily Costs	\$ 87,417	\$ 87,737	\$ 96,238	\$ 89,390
Total Costs	\$ 15,735,056	\$ 15,792,684	\$ 17,322,894	\$ 16,090,122

Source: District Records

Fiscal Year Ending					
<u>June 30, 2003</u>	<u>June 30, 2004</u>	<u>June 30, 2005</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>June 30, 2008</u>
180	180	170	179	180	180
28,966	28,851	29,909	28,330	27,886	26,440
5,213,909	5,193,132	5,084,549	5,071,159	5,019,529	4,759,284
\$ 58,143	\$ 59,145	\$ 63,293	\$ 61,462	\$ 62,312	\$ 65,436
\$ 10,465,651	\$ 10,646,061	\$ 10,759,800	\$ 11,001,688	\$ 11,216,190	\$ 11,778,397
35,669	35,685	36,602	35,871	35,695	33,365
6,420,385	6,423,242	6,222,411	6,420,924	6,425,066	6,005,633
\$ 91,309	\$ 93,767	\$ 100,072	\$ 100,536	\$ 102,799	\$ 98,927
\$ 16,435,701	\$ 16,878,128	\$ 17,012,218	\$ 17,995,872	\$ 18,503,864	\$ 17,806,948
\$ 87,699	\$ 92,371	\$ 99,798	\$ 100,429	\$ 102,150	\$ 103,911
\$ 15,785,781	\$ 16,626,822	\$ 16,965,688	\$ 17,976,729	\$ 18,387,009	\$ 18,704,011

DISTRICT SCHOOL BOARD OF ESCAMBIA COUNTY, FLORIDA
SCHEDULE OF INSURANCE IN FORCE
AS OF JUNE 30, 2008
(Unaudited)

Coverage Type	Name of Company	Policy Number	Coverage	
			From	To
Primary Property	Lexington Insurance Company	9702958	07/01/08	06/30/09
Excess Property	Landmark American Insurance Company	LHD358492	07/01/08	06/30/09
Excess Property	Columbia Casualty Insurance Company	RMP2091209819	07/01/08	06/30/09
Excess Property	Westchester Surplus Lines Insurance Company	D35891882-006	07/01/08	06/30/09
Boiler & Machinery	Travelers Property and Casualty Company	BM-216083C758	07/01/08	06/30/09
Crime Bond	Travelers Property and Casualty Company	103183657	07/01/08	06/30/09
General Liability	Mt. Hawley Insurance Company	MGL0155041	05/22/08	04/30/09
Excess Liability	Mt. Hawley Insurance Company	MXL0365948	05/22/08	04/30/09
Storage Tank	Zurich Insurance Company	USA5865285	01/31/08	12/31/09
Public Official Bonds	Fidelity & Deposit Company	POB8783327	11/20/07	11/20/08
Public Official Bonds	Fidelity & Deposit Company	POB8783328	11/20/07	11/20/08
Out-of-State Vehicles	Fisher Brown Insurance Company	74APS012682	02/03/08	01/31/09
Catastrophic Student Accident	National Union Fire Insurance Company	20082009TBD	08/01/08	07/31/09

Source: District Records

Coverage Type	Limit of Coverage	Annual Premium
All Risks of Direct Physical Loss or damage including flood and earthquake	\$15,000,000 Primary per occurrence	\$2,020,004
Excess Insurance	\$5,000,000p/o\$15,000,000xsPrimary\$15,000,000	252,504
Excess Insurance	\$5,000,000p/o\$15,000,000xsPrimary\$15,000,000	252,504
Excess Insurance	\$5,000,000p/o\$15,000,000xsPrimary\$15,000,000	252,504
Boiler & Machinery	\$100,000,000 Equipment Breakdown Limit	15,188
Crime Bond	\$25,000 per Loss - Employee Dishonesty \$25,000 on Premises \$25,000 Messenger - Money & Securities	4,988
General Liability	\$2,000,000 General Aggregate \$1,000,000 Products-Completed Operation Agg. \$1,000,000 Personal & Advertising \$1,000,000 Each Occurrence \$50,000 Fire Damage \$5,000 Medical Expense	10,100
Excess Liability	\$5,000,000 Each Occurrence/Aggregate \$5,000,000 General Aggregate (other than products/complete operations) \$5,000,000 Products/Completed operations aggregate	8,080
Liability	\$1,000,000 Each Occurrence \$1,000,000 Annual Aggregate	14,109
Chairman Public Official Bond	Board Members Coverage \$12,000	101
Vice Chairman Public Official Bond	Board Members Coverage \$12,000	101
Vehicles that travel across state line	\$500,000 Bodily Injury each person \$500,000 Bodily Injury each accident \$100,000 Property Damage each accident	12,512
Covers liability relating to interscholastic activities	\$5,000,000 Accident Medical Expense Benefit	10,876